

coding improvements in response to refinements in case-mix measurement are expected to increase aggregate payments by a substantial amount during the forthcoming year. This adjustment should be separate from the annual update. Further, the Congress should require the Secretary to measure the extent of actual coding improvements based on the bills providers submit for payment and make a timely adjustment to correct any substantial forecast error.

Response: In the past, whenever significant refinements to the DRGs have been implemented, there have been unanticipated payment increases as hospitals have responded with changes to their coding practices, resulting in more cases being assigned to higher-weighted DRGs than estimated when the DRG relative weights were calculated. We anticipate that a similar effect would occur following implementation of refined DRGs.

Therefore, we agree with MedPAC's recommendation that Congress give the Secretary explicit authority to adjust the hospital inpatient base payment amounts if anticipated coding improvements in response to refinements in case-mix measurement are expected to increase aggregate payments by a substantial amount during the forthcoming year. We also agree that adjustments to correct substantial forecast errors would be appropriate.

H. Fold Inpatient Direct GME Costs Into the Prospective Payment System (Recommendation 3E: June Report)

Recommendation: Congress should fold inpatient direct graduate medical education costs into prospective payment system payment rates through a revised teaching hospital adjustment. The new adjustment should be set such that the subsidy provided to teaching hospitals would be added to the IME adjustment. This recommendation should be implemented with a reasonable transition to limit the impact on hospitals of substantial changes in Medicare payments and to ensure that beneficiaries have continued access to the services that teaching hospitals provide.

Response: MedPAC cites two primary reasons for its recommendation: to improve payment equity among teaching hospitals by eliminating the wide variation in current hospital-specific GME payment amounts, and to establish that GME payments are a part of patient care costs. MedPAC proposes three options for folding direct GME costs into PPS in terms of its impact on total payments: fold inpatient direct

GME costs into the prospective payment rates, holding aggregate payments and special payments to teaching hospitals constant; fold inpatient direct GME costs into the prospective payment rates, holding aggregate payments constant, and redistributing teaching hospital subsidies across all hospitals; and fold inpatient direct GME costs into prospective payment rates with no constraint on aggregate payments and no teaching hospital subsidy. The commission recommends the first option. While we do not disagree with MedPAC's objectives, we believe that there are still some significant issues related to these recommendations.

First, Congress has already taken steps towards addressing the direct GME payment variation. Section 311 of the BBRA of 1999 established a 70 percent floor and a 140 percent ceiling based on a national average per resident amount for direct GME payment purposes for FYs 2001 through 2005. While we agree with the objective of decreasing the variation in the current per resident amounts, the same objective can be achieved by moving to a national, rather than hospital-specific, per resident amount.

Second, MedPAC asserts that folding the direct GME payments into the prospective payment system will establish that GME payments are payments to account for the increased costs of inpatient care due to residency training. However, we would note the current direct GME payments are distributed on the basis of Medicare's patient share, based on the percentage of total Medicare inpatient days to total hospital inpatient days. It is unclear exactly how MedPAC's recommendation would better associate GME payments with the increased costs of patient care without rebasing the current IME adjustment to more appropriately reflect the empirical estimate of those increased costs, both direct and indirect. Furthermore, the current distribution of IME payments is not directly linked to the involvement of residents providing patient care, but instead is based on each Medicare discharge, adjusted for the other payment factors. In addition, if the recommended teaching adjustment is a mechanism for accounting for the extra costs of inpatient training, it seems inappropriate to include residents not training in inpatient settings in a payment for inpatient care costs.

Third, MedPAC estimates show that the IME adjustment for operating payments would be only 3.2 percent, if it were based on the empirical relationship between costs and the ratio of residents to hospital beds. This is

significantly less than the adjustment of 5.5 percent, which is the adjustment set for the end of the phase-in under current law. MedPAC asserts that approximately \$1.5 billion of the IME payments to teaching hospitals result from paying more than the empirical estimate suggests. Under MedPAC's recommendation, the direct GME payments would essentially be added to current IME payments. However, we feel that it is inappropriate to revise the teaching adjustment in such a way that would constitute a further add-on to the current IME payments which MedPAC believes are excessive. Before such a change is adopted, Congress should determine a more accurate level at which to set the IME adjustment.

In addition, we note that MedPAC recommends folding the direct GME costs into the prospective payment system based on the most recent cost reports. The costs associated with GME, however, are no longer routinely audited by the fiscal intermediaries. Any reconstitution of the direct GME payment methodology based on recent cost reports would require further extensive audit work by the fiscal intermediaries.

VIII. Other Required Information

A. Requests for Data From the Public

In order to respond promptly to public requests for data related to the prospective payment system, we have set up a process under which commenters can gain access to the raw data on an expedited basis. Generally, the data are available in computer tape or cartridge format; however, some files are available on diskette as well as on the Internet at <http://www.hcfa.gov/stats/pubfiles.html>. In our May 5, 2000 proposed rule, we published a list of data files that are available for purchase (65 FR 26318 through 26320).

B. Information Collection Requirements

Under the Paperwork Reduction Act of 1995, we are required to provide 60-day notice in the **Federal Register** and solicit public comment before a collection of information requirement is submitted to the Office of Management and Budget (OMB) for review and approval. In order to fairly evaluate whether an information collection should be approved by OMB, section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 requires that we solicit comment on the following issues:

- The need for the information collection and its usefulness in carrying out the proper functions of our agency.
- The accuracy of our estimate of the information collection burden.

- The quality, utility, and clarity of the information to be collected.
- Recommendations to minimize the information collection burden on the affected public, including automated collection techniques.

In the May 5, 2000 proposed rule, we solicited public comment on each of the information collection requirements in §§ 412.77, 412.92, and 485.643 described below.

Section 412.77, Determination of the hospital-specific rate for inpatient operating costs for certain sole community hospitals based on a Federal fiscal year 1996 base period, and § 412.92, Special treatment: sole community hospitals.

Sections 412.77(a)(2) and 412.92(d)(1)(ii) state that an otherwise eligible hospital that elects not to receive payment based on its hospital-specific rate as determined under § 412.77 must notify its fiscal intermediary of its decision prior to the beginning of its cost reporting period beginning on or after October 1, 2000.

We estimate that it will take each hospital that notifies its intermediary of its election not to receive payments based on its hospital-specific rate as determined under § 412.77 an hour to draft and send its notice. However, we are unable at this time to determine how many hospitals will make this election and, therefore, will need to notify their intermediaries of their decision.

Section 485.643, Condition of participation: Organ, tissue, and eye procurement.

It is important to note that because of the inherent flexibility of this final regulation, the extent of the information collection requirements is dependent upon decisions that will be made either by the CAH or by the CAH in conjunction with the OPO or the tissue and eye banks, or both. Thus, the paperwork burden on individual CAHs will vary and is subject, in large part, to their decisionmaking.

The burden associated with the requirements of this section include: (1) The requirement to maintain protocol documentation demonstrating that the five requirements of this section have been met; (2) the requirement for a CAH to notify an OPO, a tissue bank, or an eye bank of any imminent or actual death; and (3) the time required for a hospital to document and maintain OPO referral information.

We estimate that, on average, the requirement to maintain protocol documentation demonstrating that the requirements of this section have been met will impose one hour of burden on

each CAH (on 161 CAHs) on an annual basis, resulting in a total of 161 annual burden hours.

The CoP in this section will require CAHs to notify the OPO about every death that occurs in the CAH. The average Medicare hospital has approximately 165 beds and 200 deaths per year. However, by statute and regulation, CAHs may use no more than 15 beds for acute care services. Assuming that the number of deaths in a hospital is related to the number of acute care beds, there should be approximately 18 deaths per year in the average CAH. We estimate that the average notification telephone call to the OPO takes 5 minutes. Based on this estimate, a CAH would need approximately 90 minutes per year to notify the OPO about all deaths and imminent deaths.

Under the CoP, a CAH may agree to have the OPO determine medical suitability for tissue and eye donation or may have alternative arrangements with a tissue bank and an eye bank. These alternative arrangements could include the CAH's direct notification of the tissue and eye bank of potential tissue and eye donors or direct notification of all deaths. If a CAH chose to contact both a tissue bank and an eye bank directly on all deaths, it could need an additional 180 minutes per year (that is, 5 minutes per call) in order to call both the tissue and eye bank directly. Again, the impact is small, and this regulation permits the CAH to decide how this process will take place. We note that many communities already have a one-phone call system in place. In addition, some OPOs are also tissue banks or eye banks, or both. A CAH that chooses to use the OPO's tissue and eye bank services in these localities would need to make only one telephone call on every death.

We estimate that additional time would be needed by the CAH to annotate the patient record or fill out a form regarding the disposition of a call to the OPO, the tissue bank, or the eye bank, or all three. This recordkeeping should take no more than 5 minutes to record each disposition or call. Therefore, all of the paperwork burden associated with the call(s) could add up to an additional 270 minutes per year per CAH.

In summary, the information collection requirements of this section would be a range of 3 to 6 hours per CAH annually.

We did not receive any comments on the proposed information collection and recordkeeping requirements.

These new information collection and recordkeeping requirements have been

submitted to the Office of Management and Budget (OMB) for review under the authority of PRA. These requirements will not be effective until they have been approved by OMB.

The requirements associated with a hospital's application for a geographic redesignation, codified in Part 412, are currently approved by OMB under OMB approval number 0938-0573, with an expiration date of September 30, 2002.

List of Subjects

42 CFR Part 410

Health facilities, Health professions, Kidney diseases, Laboratories, Medicare, Rural areas, X-rays.

42 CFR Part 412

Administrative practice and procedure, Health facilities, Medicare, Puerto Rico, Reporting and recordkeeping requirements.

42 CFR Part 413

Health facilities, Kidney diseases, Medicare, Puerto Rico, Reporting and recordkeeping requirements.

42 CFR Part 485

Grant programs-health, Health facilities, Medicaid, Medicare, Reporting and recordkeeping requirements.

42 CFR Chapter IV is amended as set forth below:

PART 410—SUPPLEMENTARY MEDICAL INSURANCE (SMI) BENEFITS

A. Part 410 is amended as follows:

1. The authority citation for Part 410 continues to read as follows:

Authority: Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh).

§ 410.152 [Amended]

2. In § 410.152, paragraph (k)(2), the cross-reference “§ 413.70(c)” is removed and “§ 413.70(b)(2)(iii)(B)” is added in its place.

PART 412—PROSPECTIVE PAYMENT SYSTEMS FOR INPATIENT HOSPITAL SERVICES

B. Part 412 is amended as follows:

1. The authority citation for Part 412 continues to read as follows:

Authority: Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh).

2. Section 412.2 is amended by revising the last sentence of paragraph (a) to read as follows:

§ 412.2 Basis of payment.

(a) *Payment on a per discharge basis.*
 * * * An additional payment is made for both inpatient operating and inpatient capital-related costs, in accordance with subpart F of this part, for cases that are extraordinarily costly to treat.

* * * * *

§ 412.4 [Amended]

3. In § 412.4(f)(3), the reference to “§ 412.2(e)” is removed and “§ 412.2(b)” is added in its place.

4. Section 412.63 is amended by:

A. Revising paragraph (s).
 B. Redesignating paragraphs (t), (u), (v), and (w) as paragraphs (u), (v), (w), and (x) respectively.

C. Adding a new paragraph (t).

§ 412.63 Federal rates for inpatient operating costs for fiscal years after Federal fiscal year 1984.

* * * * *

(s) *Applicable percentage change for fiscal year 2001.* The applicable percentage change for fiscal year 2001 is the percentage increase in the market basket index for prospective payment hospitals (as defined in § 413.40(a) of this subchapter) for sole community hospitals and the increase in the market basket index minus 1.1 percentage points for other hospitals in all areas.

(t) *Applicable percentage change for fiscal year 2002.* The applicable percentage change for fiscal year 2002 is the percentage increase in the market basket index for prospective payment hospitals (as defined in § 413.40(a) of this subchapter) minus 1.1 percentage points for hospitals in all areas.

* * * * *

5. Section 412.73 is amended by:

A. Revising paragraph (c)(12).
 B. Adding paragraphs (c)(13), (c)(14), and (c)(15).

§ 412.73 Determination of the hospital-specific rate based on a Federal fiscal year 1982 base period.

* * * * *

(c) *Updating base-year costs—** * *

(12) *For Federal fiscal years 1996 through 2000.* For Federal fiscal years 1996 through 2000, the update factor is the applicable percentage change for other prospective payment hospitals in each respective year as set forth in §§ 412.63(n) through (r).

(13) *For Federal fiscal year 2001.* For Federal fiscal year 2001, the update factor is the percentage increase in the market basket index for prospective payment hospitals (as defined in § 413.40(a) of this chapter).

(14) *For Federal fiscal year 2002.* For Federal fiscal year 2002, the update

factor is the percentage increase in the market basket index for prospective payment hospitals (as defined in § 413.40(a) of this chapter) minus 1.1 percentage points.

(15) *For Federal fiscal year 2003 and for subsequent years.* For Federal fiscal year 2003 and subsequent years, the update factor is the percentage increase in the market basket index for prospective payment hospitals (as defined in § 413.40(a) of this chapter).

* * * * *

§ 412.75 [Amended]

6. In § 412.75(d), the cross reference “§ 412.73 (c)(5) through (c)(12)” is removed and “§ 412.75(c)(15)” is added in its place.

§ 412.76 [Redesignated]

7. Section 412.76 is redesignated as a new § 412.78.

8. A new § 412.77 is added to read as follows:

§ 412.77 Determination of the hospital-specific rate for inpatient operating costs for certain sole community hospitals based on a Federal fiscal year 1996 base period.

(a) *Applicability.* (1) This section applies to a hospital that has been designated as a sole community hospital, as described in § 412.92, that received payment for its cost reporting period beginning during 1999 based on its hospital-specific rate for either fiscal year 1982 under § 412.73 or fiscal year 1987 under § 412.75, and that elects under paragraph (a)(2) of this section to be paid based on a fiscal year 1996 base period. If the 1996 hospital-specific rate exceeds the hospital-specific rates for either fiscal year 1982 or 1987, unless the hospital elects to the contrary, this rate will be used in the payment formula set forth under § 412.92(d)(1).

(2) Hospitals that are otherwise eligible for but elect not to receive payment on the basis of their Federal fiscal year 1996 updated costs per case must notify their fiscal intermediary of this decision prior to the end of their cost reporting period beginning on or after October 1, 2000, for which such payments would otherwise be made. If a hospital does not make the notification to its fiscal intermediary before the end of the cost reporting period, the hospital is deemed to have elected to have section 1886(b)(3)(I) of the Act apply to the hospital.

(3) This section applies only to cost reporting periods beginning on or after October 1, 2000.

(4) The formula for determining the hospital-specific costs for hospitals described under paragraph (a)(1) of this

section is set forth in paragraph (f) of this section.

(b) *Based costs for hospitals subject to fiscal year 1996 rebasing.* (1) *General rule.* Except as provided in paragraph (b)(2) of this section, for each hospital eligible under paragraph (a) of this section, the intermediary determines the hospital's Medicare Part A allowable inpatient operating costs, as described in § 412.2(c), for the 12-month or longer cost reporting period ending on or after September 30, 1996 and before September 30, 1997, and computes the hospital-specific rate for purposes of determining prospective payment rates for inpatient operating costs as determined under § 412.92(d).

(2) *Exceptions.* (i) If the hospital's last cost reporting period ending before September 30, 1997 is for less than 12 months, the base period is the hospital's most recent 12-month or longer cost reporting period ending before the short reporting period.

(ii) If the hospital does not have a cost reporting period ending on or after September 30, 1996 and before September 30, 1997, and does have a cost reporting period beginning on or after October 1, 1995 and before October 1, 1996, that cost reporting period is the base period unless the cost reporting period is for less than 12 months. If that cost reporting period is for less than 12 months, the base period is the hospital's most recent 12-month or longer cost reporting period ending before the short cost reporting period. If a hospital has no cost reporting period beginning in fiscal year 1996, the hospital will not have a hospital-specific rate based on fiscal year 1996.

(c) *Costs on a per discharge basis.* The intermediary determines the hospital's average base-period operating cost per discharge by dividing the total operating costs by the number of discharges in the base period. For purposes of this section, a transfer as defined in § 412.4(b) is considered to be a discharge.

(d) *Case-mix adjustment.* The intermediary divides the average base-period cost per discharge by the hospital's case-mix index for the base period.

(e) *Updating base-period costs.* For purposes of determining the updated base-period costs for cost reporting periods beginning in Federal fiscal year 1996, the update factor is determined using the methodology set forth in § 412.73(c)(12) through (c)(15).

(f) *DRG adjustment.* The applicable hospital-specific cost per discharge is multiplied by the appropriate DRG weighting factor to determine the hospital-specific base payment amount

(target amount) for a particular covered discharge.

(g) *Notice of hospital-specific rates.* The intermediary furnishes a hospital eligible for rebasing a notice of the hospital-specific rate as computed in accordance with this section. The notice will contain a statement of the hospital's Medicare Part A allowable inpatient operating costs, the number of Medicare discharges, and the case-mix index adjustment factor used to determine the hospital's cost per discharge for the Federal fiscal year 1996 base period.

(h) *Right to administrative and judicial review.* An intermediary's determination of the hospital-specific rate for a hospital is subject to administrative and judicial review. Review is available to a hospital upon receipt of the notice of the hospital-specific rate. This notice is treated as a final intermediary determination of the amount of program reimbursement for purposes of subpart R of part 405 of this chapter.

(i) *Modification of hospital-specific rate.* (1) The intermediary recalculates the hospital-specific rate to reflect the following:

(i) Any modifications that are determined as a result of administrative or judicial review of the hospital-specific rate determinations; or

(ii) Any additional costs that are recognized as allowable costs for the hospital's base period as a result of administrative or judicial review of the base-period notice of amount of program reimbursement.

(2) With respect to either the hospital-specific rate determination or the amount of program reimbursement determination, the actions taken on administrative or judicial review that provide a basis for the recalculations of the hospital-specific rate include the following:

(i) A reopening and revision of the hospital's base-period notice of amount of program reimbursement under §§ 405.1885 through 405.1889 of this chapter.

(ii) A prehearing order or finding issued during the provider payment appeals process by the appropriate reviewing authority under § 405.1821 or § 405.1853 of this chapter that resolved a matter at issue in the hospital's base-period notice of amount of program reimbursement.

(iii) An affirmation, modification, or reversal of a Provider Reimbursement Review Board decision by the Administrator of HCFA under § 405.1875 of this chapter that resolved a matter at issue in the hospital's base-period notice of amount of program reimbursement.

(iv) An administrative or judicial review decision under § 405.1831, § 405.1871, or § 405.1877 of this chapter that is final and no longer subject to review under applicable law or regulations by a higher reviewing authority, and that resolved a matter at issue in the hospital's base-period notice of amount of program reimbursement.

(v) A final, nonappealable court judgment relating to the base-period costs.

(3) The adjustments to the hospital-specific rate made under paragraphs (i)(1) and (i)(2) of this section are effective retroactively to the time of the intermediary's initial determination of the rate.

9. Section 412.92 is amended by:

A. Revising paragraph (d)(1).

B. Redesignating paragraph (d)(2) as paragraph (d)(3).

C. Adding a new paragraph (d)(2).

§ 412.92 Special treatment: sole community hospitals.

* * * * *

(d) *Determining prospective payment rates for inpatient operating costs for sole community hospitals—(1) General rule.* For cost reporting periods beginning on or after April 1, 1990, a sole community hospital is paid based on whichever of the following amounts yields the greatest aggregate payment for the cost reporting period:

(i) The Federal payment rate applicable to the hospitals as determined under § 412.63.

(ii) The hospital-specific rate as determined under § 412.73.

(iii) The hospital-specific rate as determined under § 412.75.

(iv) For cost reporting periods beginning on or after October 1, 2000, the hospital-specific rate as determined under § 412.77 (calculated under the transition schedule set forth in paragraph (d)(2) of this section), if the sole community hospital was paid for its cost reporting period beginning during 1999 on the basis of the hospital-specific rate specified in paragraph (d)(1)(ii) or (d)(1)(iii) of this section, unless the hospital elects otherwise under § 412.77(a)(1).

(2) *Transition of FY 1996 hospital-specific rate.* The intermediary calculates the hospital-specific rate determined on the basis of the fiscal year 1996 base period rate as follows:

(i) For Federal fiscal year 2001, the hospital-specific rate is the sum of 75 percent of the greater of the hospital-specific rates specified in paragraph (d)(1)(ii) or (d)(1)(iii) of this section, plus 25 percent of the hospital-specific

rate specified in paragraph (d)(1)(iv) of this section.

(ii) For Federal fiscal year 2002, the hospital-specific rate is the sum of 50 percent of the greater of the hospital-specific rates specified in paragraph (d)(1)(ii) or (d)(1)(iii) of this section plus 50 percent of the hospital-specific rate specified in paragraph (d)(1)(iv) of this section.

(iii) For Federal fiscal year 2003, the hospital-specific rate is the sum of 25 percent of the greater of the hospital-specific rates specified in paragraph (d)(1)(ii) or (d)(1)(iii) of this section, plus 75 percent of the hospital-specific rate specified in paragraph (d)(1)(iv) of this section.

(iv) For Federal fiscal year 2004 and any subsequent fiscal years, the hospital-specific rate is 100 percent of the hospital-specific rate specified in paragraph (d)(1)(iv) of this section.

* * * * *

10. Section 412.105 is amended by:

A. Revising paragraph (d)(3)(v).

B. Adding a new paragraph (d)(3)(vi).

C. Republishing paragraph (f)(1) introductory text and revising paragraph (f)(1)(vii).

D. Adding new paragraphs (f)(1)(viii) and (f)(1)(ix).

E. Revising paragraph (g).

§ 412.105 Special treatment: Hospitals that incur indirect costs for graduate medical education programs.

* * * * *

(d) *Determination of education adjustment factor.* * * *

(3) * * *

(v) For discharges occurring during fiscal year 2001, 1.54.

(vi) For discharges occurring on or after October 1, 2001, 1.35.

* * * * *

(f) *Determining the total number of full-time equivalent residents for cost reporting periods beginning on or after July 1, 1991.* (1) For cost reporting periods beginning on or after July 1, 1991, the count of full-time equivalent residents for the purpose of determining the indirect medical education adjustment is determined as follows:

* * * * *

(vii) If a hospital establishes a new medical residency training program, as defined in § 413.86(g)(9) of this subchapter, the hospital's full-time equivalent cap may be adjusted in accordance with the provisions of §§ 413.86(g)(6)(i) through (iv) of this subchapter.

(viii) A hospital that began construction of its facility prior to August 5, 1997, and sponsored new medical residency training programs on

or after January 1, 1995 and on or before August 5, 1997, that either received initial accreditation by the appropriate accrediting body or temporarily trained residents at another hospital(s) until the facility was completed, may receive an adjustment to its full-time equivalent cap in accordance with the provisions of § 413.86(g)(7) of this subchapter.

(ix) A hospital may receive a temporary adjustment to its full-time equivalent cap to reflect residents added because of another hospital's closure if the hospital meets the criteria specified in § 413.86(g)(8) of this subchapter.

(g) *Indirect medical education payment for managed care enrollees.* For portions of cost reporting periods occurring on or after January 1, 1998, a payment is made to a hospital for indirect medical education costs, as determined under paragraph (e) of this section, for discharges associated with individuals who are enrolled under a risk-sharing contract with an eligible organization under section 1876 of the Act or with a Medicare+Choice organization under title XVIII, Part C of the Act during the period, according to the applicable payment percentages described in §§ 413.86(d)(3)(i) through (d)(3)(v) of this subchapter.

11. In § 412.106, the introductory text of paragraph (e) is republished and paragraphs (e)(4) and (e)(5) are revised to read as follows:

§ 412.106 Special treatment: Hospitals that serve a disproportionate share of low-income patients.

(e) *Reduction in payment for FYs 1998 through 2002.* The amounts otherwise payable to a hospital under paragraph (d) of this section are reduced by the following:

(4) For FY 2001, 3 percent.

(5) For FY 2002, 4 percent.

12. Section 412.230 is amended by:
A. Adding a new paragraph (a)(5)(iv).
B. Republishing the introductory text of paragraph (e)(1).
C. Revising paragraph (e)(1)(iii) and (e)(1)(iv).

§ 412.230 Criteria for an individual hospital seeking redesignation to another rural area or an urban area.

(a) General. * * *

(5) *Limitations on redesignation.*

(iv) An urban hospital that has been granted redesignation as rural under § 412.103 cannot receive an additional reclassification by the MGCRB based on

this acquired rural status as long as such redesignation is in effect.

(e) *Use of urban or other rural area's wage index—(1) Criteria for use of area's wage index.* Except as provided in paragraphs (e)(3) and (e)(4) of this section, to use an area's wage index, a hospital must demonstrate the following:

(iii) One of the following conditions apply:

(A) With respect to redesignations for Federal fiscal year 1994 through 2001, the hospital's average hourly wage is at least 108 percent of the average hourly wage of hospitals in the area in which the hospital is located; or

(B) With respect to redesignations for Federal fiscal year 2002 and later years, the hospital's average hourly wage is, in the case of a hospital located in a rural area, at least 106 percent, and, in the case of a hospital located in an urban area, at least 108 percent of the average hourly wage of hospitals in the area in which the hospital is located; and

(iv) One of the following conditions apply:

(A) For redesignations effective before fiscal year 1999, the hospital's average hourly wage weighted for occupational categories is at least 90 percent of the average hourly wages of hospitals in the area to which it seeks redesignation.

(B) With respect to redesignations for fiscal year 1994 through 2001, the hospital's average hourly wage is equal to at least 84 percent of the average hourly wage of hospitals in the area to which it seeks redesignation.

(C) With respect to redesignations for fiscal year 2002 and later years, the hospital's average hourly wage is equal to, in the case of a hospital located in a rural area, at least 82 percent, and in the case of a hospital located in an urban area, at least 84 percent of the average hourly wage of hospitals in the area to which it seeks redesignation.

PART 413—PRINCIPLES OF REASONABLE COST REIMBURSEMENT; PAYMENT FOR END-STAGE RENAL DISEASE SERVICES; OPTIONAL PROSPECTIVELY DETERMINED PAYMENT RATES FOR SKILLED NURSING FACILITIES

C. Part 413 is amended as follows:

1. The authority citation for Part 413 is revised to read as follows:

Authority: Secs. 1102, 1812(d), 1814(b), 1815, 1833(a), (i), and (n), 1871, 1881, 1883, and 1886 of the Social Security Act (42

U.S.C. 1302, 1395d(d), 1395f(b), 1395g, 1395l(a), (i), and (n), 1395hh, 1395rr, 1395tt, and 1395ww).

2. In § 413.40, paragraph (a)(3) is amended by revising paragraph (B) of the definition of "ceiling" and paragraph (d)(4) is revised, to read as follows:

§ 413.40 Ceiling on the rate of increase in hospital inpatient costs.

(a) *Introduction.* * * *

(3) *Definitions.* * * *

Ceiling. * * *

(B) The hospital-within-a-hospital has discharged to the other hospital and subsequently readmitted more than 5 percent (that is, in excess of 5.0 percent) of the total number of Medicare inpatients discharged from the hospital-within-a-hospital in that cost reporting period.

(d) *Application of the target amount in determining the amount of payment.*

(4) *Continuous improvement bonus payments.* (i) For cost reporting periods beginning on or after October 1, 1997 and ending before October 1, 2000, eligible hospitals (as defined in paragraph (d)(5) of this section) receive payments in addition to those in paragraph (d)(2) of this section, as applicable. These payments are equal to the lesser of—

(A) 50 percent of the amount by which the operating costs are less than the expected costs for the period; or

(B) 1 percent of the ceiling.

(ii) For cost reporting periods beginning on or after October 1, 2000, and ending before September 30, 2001, eligible psychiatric hospitals and units and long-term care hospitals (as defined in paragraph (d)(5) of this section) receive payments in addition to those in paragraph (d)(2) of this section, as applicable. These payments are equal to the lesser of—

(A) 50 percent of the amount by which the operating costs are less than the expected costs for the period; or

(B) 1.5 percent of the ceiling.

(iii) For cost reporting periods beginning on or after October 1, 2001, and before September 30, 2002, eligible psychiatric hospitals and units and long-term care hospitals receive payments in addition to those in paragraph (d)(5) of this section, as applicable. These payments are equal to the lesser of—

(A) 50 percent of the amount by which the operating costs are less than the expected costs for the periods; or

(B) 2 percent of the ceiling.

3. Section 413.70 is revised to read as follows:

§ 413.70 Payment for services of a CAH.

(a) *Payment for inpatient services furnished by a CAH.* (1) Payment for inpatient services of a CAH is the reasonable costs of the CAH in providing CAH services to its inpatients, as determined in accordance with section 1861(v)(1)(A) of the Act and the applicable principles of cost reimbursement in this part and in Part 415 of this chapter, except that the following payment principles are excluded when determining payment for CAH inpatient services:

- (i) Lesser of cost or charges;
- (ii) Ceilings on hospital operating costs; and
- (iii) Reasonable compensation equivalent (RCE) limits for physician services to providers.

(2) Payment to a CAH for inpatient services does not include any costs of physician services or other professional services to CAH inpatients, and is subject to the Part A hospital deductible and coinsurance, as determined under subpart G of part 409 of this chapter.

(b) *Payment for outpatient services furnished by a CAH—(1) General.* Unless the CAH elects to be paid for services to its outpatients under the method specified in paragraph (b)(3) of this section, the amount of payment for outpatient services of a CAH is the amount determined under paragraph (b)(2) of this section.

(2) *Reasonable costs for facility services.* (i) Payment for outpatient services of a CAH is the reasonable costs of the CAH in providing CAH services to its outpatients, as determined in accordance with section 1861(v)(1)(A) of the Act and the applicable principles of cost reimbursement in this part and in Part 415 of this chapter, except that the following payment principles are excluded when determining payment for CAH outpatient services:

- (A) Lesser of costs or charges;
- (B) RCE limits;
- (C) Any type of reduction to operating or capital costs under § 413.124 or § 413.130(j)(7); and
- (D) Blended payment amounts for ambulatory surgical services, radiology services, and other diagnostic services;
- (ii) Payment to a CAH under paragraph (b)(2) of this section does not include any costs of physician services or other professional services to CAH outpatients, and is subject to the Part B deductible and coinsurance amounts, as determined under §§ 410.152(k), 410.160, and 410.161 of this chapter.
- (iii) The following payment principles are used when determining payment for

outpatient clinical diagnostic laboratory tests.

(A) The amount paid is equal to 100 percent of the least of—

(1) Charges determined under the fee schedule as set forth in section 1833(h)(1) or section 1834(d)(1) of the Act;

(2) The limitation amount for that test determined under section 1833(h)(4)(B) of the Act or the amount of the charges billed for the test; or

(3) A negotiated rate established under section 1833(h)(6) of the Act.

(B) Payment for outpatient clinical diagnostic laboratory tests is not subject to the Medicare Part B deductible and coinsurance amounts, as specified in § 410.152(k) of this chapter.

(3) *Election to be paid reasonable costs for facility services plus fee schedule for professional services.* (i) A CAH may elect to be paid for outpatient services in any cost reporting period under the method described in paragraphs (b)(3)(ii) and (b)(3)(iii) of this section. This election must be made in writing, made on an annual basis, and delivered to the intermediary at least 60 days before the start of each affected cost reporting period. An election of this payment method, once made for a cost reporting period, remains in effect for all of that period and applies to all services furnished to outpatients during that period.

(ii) If the CAH elects payment under this method, payment to the CAH for each outpatient visit will be the sum of the following amounts:

(A) For facility services, not including any services for which payment may be made under paragraph (b)(3)(ii)(B) of this section, the reasonable costs of the services as determined under paragraph (b)(2)(i) of this section; and

(B) For professional services otherwise payable to the physician or other practitioner on a fee schedule basis, the amounts that otherwise would be paid for the services if the CAH had not elected payment under this method.

(iii) Payment to a CAH is subject to the Part B deductible and coinsurance amounts, as determined under §§ 410.152, 410.160, and 410.161 of this chapter.

(c) *Final payment based on cost report.* Final payment to the CAH for CAH facility services to inpatients and outpatients furnished during a cost reporting is based on a cost report for that period, as required under § 413.20(b).

4. Section 413.86 is amended by:

A. Revising the first sentence of paragraph (d)(3).

B. Revising the introductory text of paragraph (e)(3).

C. Redesignating paragraph (e)(4) as paragraph (e)(5).

D. Adding a new paragraph (e)(4).

E. Revising newly designated paragraph (e)(5)(i)(B).

F. Adding a new paragraph (e)(5)(iv).

§ 413.86 Direct graduate medical education payments.

* * * * *

(d) *Calculating payment for graduate medical education costs.* * * *

(3) *Step Three.* For portions of cost reporting periods occurring on or after January 1, 1998, the product derived in step one is multiplied by the proportion of the hospital's inpatient days attributable to individuals who are enrolled under a risk-sharing contract with an eligible organization under section 1876 of the Act and who are entitled to Medicare Part A or with a Medicare+Choice organization under Title XVIII, Part C of the Act. * * *

(e) *Determining per resident amounts for the base period.* * * *

(3) *For cost reporting periods beginning on or after July 1, 1986.* Subject to the provisions of paragraph (e)(4) of this section, for cost reporting periods beginning on or after July 1, 1986, a hospital's base-period per resident amount is adjusted as follows:

* * * * *

(4) *For cost reporting periods beginning on or after October 1, 2000 and ending on or before September 30, 2005.* For cost reporting periods beginning on or after October 1, 2000 and ending on or before September 30, 2005, a hospital's per resident amount for each fiscal year is adjusted in accordance with the following provisions:

(i) *General provisions.* For purposes of § 413.86(e)(4)—

(A) *Weighted average per resident amount.* The weighted average per resident amount is established as follows:

(1) Using data from hospitals' cost reporting periods ending during FY 1997, HCFA calculates each hospital's single per resident amount by adding each hospital's primary care and non-primary care per resident amounts, weighted by its respective FTEs, and dividing by the sum of the FTEs for primary care and non-primary care residents.

(2) Each hospital's single per resident amount calculated under paragraph (e)(4)(i)(A)(1) of this section is standardized by the 1999 geographic adjustment factor for the physician fee schedule area (as determined under § 414.26 of this chapter) in which the hospital is located.

(3) HCFA calculates an average of all hospitals' standardized per resident amounts that are determined under paragraph (e)(4)(i)(A)(2) of this section. The resulting amount is the weighted average per resident amount.

(B) *Primary care/obstetrics and gynecology and non-primary care per resident amounts.* A hospital's per resident amount is an amount inclusive of any CPI-U adjustments that the hospital may have received since the hospital's base year, including any CPI-U adjustments the hospital may have received because the hospital trains primary care/obstetrics and gynecology residents and non-primary care residents as specified under paragraph (e)(3)(ii) of this section.

(ii) *Adjustment beginning in FY 2001 and ending in FY 2005.* For cost reporting periods beginning on or after October 1, 2000 and ending on or before September 30, 2005, a hospital's per resident amount is adjusted in accordance with paragraphs (e)(4)(ii)(A) through (e)(4)(ii)(C) of this section, in that order:

(A) *Updating the weighted average per resident amount for inflation.* The weighted average per resident amount (as determined under paragraph (e)(4)(i)(A) of this section) is updated by the estimated percentage increase in the CPI-U during the period beginning with the month that represents the midpoint of the cost reporting periods ending during FY 1997 (that is, October 1, 1996) and ending with the midpoint of the hospital's cost reporting period that begins in FY 2001.

(B) *Adjusting for locality.* The updated weighted average per resident amount determined under paragraph (e)(4)(ii)(A) of this section (the national average per resident amount) is adjusted for the locality of each hospital by multiplying the national average per resident amount by the 1999 geographic adjustment factor for the physician Fee schedule area in which each hospital is located, established in accordance with § 414.26 of this subchapter.

(C) *Determining necessary revisions to the per resident amount.* The locality-adjusted national average per resident amount, as calculated in accordance with paragraph (e)(4)(ii)(B) of this section, is compared to the hospital's per resident amount is revised, if appropriate, according to the following three categories:

(1) *Floor.* For cost reporting periods beginning on or after October 1, 2000 and on or before September 30, 2001, if the hospital's per resident amount would otherwise be less than 70 percent of the locality-adjusted national average per resident amount for FY 2001 (as

determined under paragraph (e)(4)(ii)(B) of this section), the per resident amount is equal to 70 percent of the locality-adjusted national average per resident amount for FY 2001. For subsequent cost reporting periods, the hospital's per resident amount is updated using the methodology specified under paragraph (e)(3)(i) of this section.

(2) *Ceiling.* If the hospital's per resident amount is greater than 140 percent of the locality-adjusted national average per resident amount, the per resident amount is adjusted as follows for FY 2001 through FY 2005:

(i) *FY 2001.* For cost reporting periods beginning on or after October 1, 2000 and on or before September 30, 2001, if the hospital's FY 2000 per resident amount exceeds 140 percent of the FY 2001 locality-adjusted national average per resident amount (as calculated under paragraph (e)(4)(ii)(B) of this section), then, subject to the provision stated in paragraph (e)(4)(ii)(C)(2)(iv) of this section, the hospital's per resident amount is frozen at the FY 2000 per resident amount and is not updated for FY 2001 by the CPI-U factor.

(ii) *FY 2002.* For cost reporting periods beginning on or after October 1, 2001 and on or before September 30, 2002, if the hospital's FY 2001 per resident amount exceeds 140 percent of the FY 2002 locality-adjusted national average per resident amount, then, subject to the provision stated in paragraph (e)(4)(ii)(C)(2)(iv) of this section, the hospital's per resident amount is frozen at the FY 2001 per resident amount and is not updated for FY 2002 by the CPI-U factor.

(iii) *FY 2003 through FY 2005.* For cost reporting periods beginning on or after October 1, 2002 and on or before September 30, 2005, if the hospital's per resident amount for the previous cost reporting period is greater than 140 percent of the locality-adjusted national average per resident amount for that same previous cost reporting period (for example, for cost reporting periods beginning in FY 2003, compare the hospital's per resident amount from the FY 2002 cost report to the hospital's locality-adjusted national average per resident amount from FY 2002), then, subject to the provision stated in paragraph (e)(4)(ii)(C)(2)(iv) of this section, the hospital's per resident amount is adjusted using the methodology specified in paragraph (e)(3)(i) of this section, except that the CPI-U applied for a 12-month period is reduced (but not below zero) by 2 percentage points.

(iv) *General rule for hospitals that exceed the ceiling.* For cost reporting periods beginning on or after October 1,

2000 and on or before September 30, 2005, if a hospital's per resident amount exceeds 140 percent of the hospital's locality-adjusted national average per resident amount and it is adjusted under any of the criteria (e)(4)(ii)(C)(2)(i) through (iii) of this section, the current year per resident amount cannot be reduced below 140 percent of the locality-adjusted national average per resident amount.

(3) *Per resident amounts greater than or equal to the floor and less than or equal to the ceiling.* For cost reporting periods beginning on or after October 1, 2000 and on or before September 30, 2005, if a hospital's per resident amount is greater than or equal to 70 percent and less than or equal to 140 percent of the hospital's locality-adjusted national average per resident amount for each respective fiscal year, the hospital's per resident amount is updated using the methodology specified in paragraph (e)(3)(i) of this section.

(5) *Exceptions—(i) Base period for certain hospitals.* * * *

(B) The weighted mean value of per resident amounts of hospitals located in the same geographic wage area, as that term is used in the prospective payment system under part 412 of this chapter, for cost reporting periods beginning in the same fiscal years. If there are fewer than three amounts that can be used to calculate the weighted mean value, the calculation of the per resident amounts includes all hospitals in the hospital's region as that term is used in § 412.62(f)(1)(i) of this chapter.

* * * * *

(iv) Effective October 1, 2000, the per resident amounts established under paragraphs (e)(5)(i) through (iii) of this section are subject to the provisions of paragraph (e)(4) of this section.

PART 485—CONDITIONS OF PARTICIPATION: SPECIALIZED PROVIDERS

D. Part 485 is amended as follows:

1. The authority citation for part 485 continues to read as follows:

Authority: Sec. 1820 of the Act (42 U.S.C. 1395i-1114), unless otherwise noted.

2. A new § 485.643 is added to subpart F to read as follows:

§ 485.643 Condition of participation: Organ, tissue, and eye procurement.

The CAH must have and implement written protocols that:

(a) Incorporate an agreement with an OPO designated under part 486 of this chapter, under which it must notify, in a timely manner, the OPO or a third party designated by the OPO of individuals whose death is imminent or

who have died in the CAH. The OPO determines medical suitability for organ donation and, in the absence of alternative arrangements by the CAH, the OPO determines medical suitability for tissue and eye donation, using the definition of potential tissue and eye donor and the notification protocol developed in consultation with the tissue and eye banks identified by the CAH for this purpose;

(b) Incorporate an agreement with at least one tissue bank and at least one eye bank to cooperate in the retrieval, processing, preservation, storage and distribution of tissues and eyes, as may be appropriate to assure that all usable tissues and eyes are obtained from potential donors, insofar as such an agreement does not interfere with organ procurement;

(c) Ensure, in collaboration with the designated OPO, that the family of each potential donor is informed of its option to either donate or not donate organs, tissues, or eyes. The individual designated by the CAH to initiate the request to the family must be a designated requestor. A designated requestor is an individual who has completed a course offered or approved by the OPO and designed in conjunction with the tissue and eye bank community in the methodology for approaching potential donor families and requesting organ or tissue donation;

(d) Encourage discretion and sensitivity with respect to the circumstances, views, and beliefs of the families of potential donors;

(e) Ensure that the CAH works cooperatively with the designated OPO, tissue bank and eye bank in educating staff on donation issues, reviewing death records to improve identification of potential donors, and maintaining potential donors while necessary testing and placement of potential donated organs, tissues, and eyes take place.

(f) For purposes of these standards, the term "Organ" means a human kidney, liver, heart, lung, or pancreas.

(Catalog of Federal Domestic Assistance Program No. 93.773, Medicare-Hospital Insurance)

Dated: July 24, 2000.

Nancy Ann Min DeParle,

Administrator, Health Care, Financing Administration

Dated: July 24, 2000.

Donna E. Shalaa,
Secretary.

[Editorial Note: The following Addendum and appendixes will not appear in the Code of Federal Regulations.]

Addendum—Schedule of Standardized Amounts Effective with Discharges Occurring On or After October 1, 2000 and Update Factors and Rate-of-Increase Percentages Effective With Cost Reporting Periods Beginning On or After October 1, 2000

I. Summary and Background

In this Addendum, we are setting forth the amounts and factors for determining prospective payment rates for Medicare inpatient operating costs and Medicare inpatient capital-related costs. We are also setting forth rate-of-increase percentages for updating the target amounts for hospitals and hospital units excluded from the prospective payment system.

For discharges occurring on or after October 1, 2000, except for sole community hospitals, Medicare-dependent, small rural hospitals, and hospitals located in Puerto Rico, each hospital's payment per discharge under the prospective payment system will be based on 100 percent of the Federal national rate.

Sole community hospitals are paid based on whichever of the following rates yields the greatest aggregate payment: the Federal national rate, the updated hospital-specific rate based on FY 1982 cost per discharge, the updated hospital-specific rate based on FY 1987 cost per discharge, or, if qualified, 25 percent of the updated hospital-specific rate based on FY 1996 cost per discharge, plus 75 percent of the updated FY 1982 or FY 1987 hospital-specific rate. Section 405 of Public Law 106-113 amended section 1886(b)(3) of the Act to allow a sole community hospital that was paid for its cost reporting period beginning during FY 1999 on the basis of either its FY 1982 or FY 1987 hospital-specific rate to elect to rebase its hospital-specific rate based on its FY 1996 cost per discharge.

Section 404 of Public Law 106-113 amended section 1886(d)(5)(G) of the Act to extend the special treatment for Medicare-dependent, small rural hospitals. Medicare-dependent, small rural hospitals are paid based on the Federal national rate or, if higher, the Federal national rate plus 50 percent of the difference between the Federal national rate and the updated hospital-specific rate based on FY 1982 or FY 1987 cost per discharge, whichever is higher.

For hospitals in Puerto Rico, the payment per discharge is based on the sum of 50 percent of a Puerto Rico rate and 50 percent of a Federal national rate.

As discussed below in section II of this Addendum, we are making changes in the determination of the prospective payment rates for Medicare inpatient operating costs for FY 2001. The changes, to be applied prospectively, affect the calculation of the Federal rates. In section III of this Addendum, we finalize our proposal to discontinue listing updates to the payments per unit for blood clotting factor provided to hospital inpatients who have hemophilia. In section IV of this Addendum, we discuss our changes for determining the prospective payment rates for Medicare inpatient capital-related costs for FY 2001. Section V of this Addendum sets forth our changes for

determining the rate-of-increase limits for hospitals excluded from the prospective payment system for FY 2001. The tables to which we refer in the preamble to this final rule are presented at the end of this Addendum in section VI.

II. Changes to Prospective Payment Rates For Inpatient Operating Costs for FY 2001

The basic methodology for determining prospective payment rates for inpatient operating costs is set forth at § 412.63 for hospitals located outside of Puerto Rico. The basic methodology for determining the prospective payment rates for inpatient operating costs for hospitals located in Puerto Rico is set forth at §§ 412.210 and 412.212. Below, we discuss the factors used for determining the prospective payment rates. The Federal and Puerto Rico rate changes will be effective with discharges occurring on or after October 1, 2000. As required by section 1886(d)(4)(C) of the Act, we must also adjust the DRG classifications and weighting factors for discharges in FY 2001.

In summary, the standardized amounts set forth in Tables 1A and 1C of section VI of this Addendum reflect—

- Updates of 2.3 percent for all areas (that is, the market basket percentage increase of 3.4 percent minus 1.1 percentage points);
- An adjustment to ensure budget neutrality as provided for in sections 1886(d)(4)(C)(iii) and (d)(3)(E) of the Act by applying new budget neutrality adjustment factors to the large urban and other standardized amounts;
- An adjustment to ensure budget neutrality as provided for in section 1886(d)(8)(D) of the Act by removing the FY 2000 budget neutrality factor and applying a revised factor;
- An adjustment to apply the revised outlier offset by removing the FY 2000 outlier offsets and applying a new offset; and
- An adjustment in the Puerto Rico standardized amounts to reflect the application of a Puerto Rico-specific wage index.

The standardized amounts set forth in table 1E of section VI of this Addendum, which apply to sole community hospitals, reflect updates of 3.4 percent (that is, the full market basket percentage increase) as provided for in section 406 of Public Law 106-113, but otherwise reflect the same adjustments as the national standardized amounts.

A. Calculation of Adjusted Standardized Amounts

1. Standardization of Base-Year Costs or Target Amounts

Section 1886(d)(2)(A) of the Act required the establishment of base-year cost data containing allowable operating costs per discharge of inpatient hospital services for each hospital. The preamble to the September 1, 1983 interim final rule (48 FR 39763) contains a detailed explanation of how base-year cost data were established in the initial development of standardized amounts for the prospective payment system and how they are used in computing the Federal rates.

Section 1886(d)(9)(B)(i) of the Act required us to determine the Medicare target amounts

for each hospital located in Puerto Rico for its cost reporting period beginning in FY 1987. The September 1, 1987 final rule (52 FR 33043, 33066) contains a detailed explanation of how the target amounts were determined and how they are used in computing the Puerto Rico rates.

The standardized amounts are based on per discharge averages of adjusted hospital costs from a base period or, for Puerto Rico, adjusted target amounts from a base period, updated and otherwise adjusted in accordance with the provisions of section 1886(d) of the Act. Sections 1886(d)(2)(B) and (d)(2)(C) of the Act required us to update base-year per discharge costs for FY 1984 and then standardize the cost data in order to remove the effects of certain sources of cost variations among hospitals. These effects include case-mix, differences in area wage levels, cost-of-living adjustments for Alaska and Hawaii, indirect medical education costs, a payments to hospitals serving a disproportionate share of low-income patients.

Under sections 1886(d)(2)(H) and (d)(3)(E) of the Act, in making payments under the prospective payment system, the Secretary estimates from time to time the proportion of costs that are wages and wage-related costs. Since October 1, 1997, when the market basket was last revised, we have considered 71.1 percent of costs to be labor-related for purposes of the prospective payment system. The average labor share in Puerto Rico is 71.3 percent. We are revising the discharge-weighted national standardized amount for Puerto Rico to reflect the proportion of discharges in large urban and other areas from the FY 1999 MedPAR file.

Comment: One commenter asserted that our labor share of 71.1 percent is overstated and particularly disadvantageous to small rural hospitals. The commenter questioned how we arrived at this percentage when their informal survey of 300 hospitals found none with salaries and benefits in excess of 56 percent of total operating costs. The commenter proposed that HCFA should only recognize costs that are included in the wage index survey on the cost report when recalculating the labor share.

Response: We set forth the latest revision of the labor share calculation in the August 29, 1997 final rule (62 FR 45993) after considering comments in response to our proposal set forth in the June 2, 1997 proposed rule (62 FR 29920). We feel that our current methodology accurately captures, on average, the operating costs faced by hospitals that are affected by local labor markets. It should also be noted that the wage and benefit shares of the prospective payment system's market basket are determined using the wage index survey data provided in the Medicare Cost Reports. However, we will take these comments into consideration when we perform our next periodic revision of the hospital operating market basket.

2. Computing Large Urban and Other Area Averages

Sections 1886(d)(2)(D) and (d)(3) of the Act require the Secretary to compute two average standardized amounts for discharges occurring in a fiscal year: one for hospitals

located in large urban areas and one for hospitals located in other areas. In addition, under sections 1886(d)(9)(B)(iii) and (d)(9)(C)(i) of the Act, the average standardized amount per discharge must be determined for hospitals located in urban and other areas in Puerto Rico. Hospitals in Puerto Rico are paid a blend of 50 percent of the applicable Puerto Rico standardized amount and 50 percent of a national standardized payment amount.

Section 1886(d)(2)(D) of the Act defines "urban area" as those areas within a Metropolitan Statistical Area (MSA). A "large urban area" is defined as an urban area with a population of more than 1 million. In addition, section 4009(i) of Public Law 100-203 provides that a New England County Metropolitan Area (NECMA) with a population of more than 970,000 is classified as a large urban area. As required by section 1886(d)(2)(D) of the Act, population size is determined by the Secretary based on the latest population data published by the Bureau of the Census. Urban areas that do not meet the definition of a "large urban area" are referred to as "other urban areas." Areas that are not included in MSAs are considered "rural areas" under section 1886(d)(2)(D) of the Act. Payment for discharges from hospitals located in large urban areas will be based on the large urban standardized amount. Payment for discharges from hospitals located in other urban and rural areas will be based on the other standardized amount.

Based on 1998 population estimates published by the Bureau of the Census, 61 areas meet the criteria to be defined as large urban areas for FY 2001. These areas are identified by a footnote in Table 4A.

3. Updating the Average Standardized Amounts

Under section 1886(d)(3)(A) of the Act, we update the area average standardized amounts each year. In accordance with section 1886(d)(3)(A)(iv) of the Act, we are updating the large urban areas' and the other areas' average standardized amounts for FY 2001 using the applicable percentage increases specified in section 1886(b)(3)(B)(i) of the Act. Section 1886(b)(3)(B)(i)(XVI) of the Act specifies an update factor for the standardized amounts for FY 2001 equal to the market basket percentage increase minus 1.1 percentage points for hospitals, except sole community hospitals, in all areas. The Act, as amended by section 406 of Public Law 106-113, specifies an update factor equal to the market basket percentage increase for sole community hospitals.

The percentage change in the market basket reflects the average change in the price of goods and services purchased by hospitals to furnish inpatient care. The most recent forecast of the hospital market basket increase for FY 2001 is 3.4 percent. Thus, for FY 2001, the update to the average standardized amounts equals 3.4 percent for sole community hospitals and 2.3 percent for other hospitals.

As in the past, we are adjusting the FY 2000 standardized amounts to remove the effects of the FY 2000 geographic reclassifications and outlier payments before applying the FY 2001 updates. That is,

we are increasing the standardized amounts to restore the reductions that were made for the effects of geographic reclassification and outliers. We then apply the new offsets to the standardized amounts for outliers and geographic reclassifications for FY 2001.

Although the update factors for FY 2001 are set by law, we are required by section 1886(e)(3) of the Act to report to the Congress our initial recommendation of update factors for FY2001 for both prospective payment hospitals and hospitals excluded from the prospective payment system. We have included our final recommendations in Appendix C to this final rule.

4. Other Adjustments to the Average Standardized Amounts

a. Recalibration of DRG Weights and Updated Wage Index—Budget Neutrality Adjustment. Section 1886(d)(4)(C)(iii) of the Act specifies that, beginning in FY 1991, the annual DRG reclassification and recalibration of the relative weights must be made in a manner that ensures that aggregate payments to hospitals are not affected. As discussed in section II of the preamble, we normalized the recalibrated DRG weights by an adjustment factor, so that the average case weight after recalibration is equal to the average case weight prior to recalibration.

Section 1886(d)(3)(E) of the Act requires us to update the hospital wage index on an annual basis beginning October 1, 1993. This provision also requires us to make any updates or adjustments to the wage index in a manner that ensures that aggregate payments to hospitals are not affected by the change in the wage index.

To comply with the requirement of section 1886(d)(4)(C)(iii) of the Act that DRG reclassification and recalibration of the relative weights be budget neutral, and the requirement in section 1886(d)(3)(E) of the Act that the updated wage index be budget neutral, we used historical discharge data to simulate payments and compared aggregate payments using the FY 2000 relative weights and wage index to aggregate payments using the FY 2001 relative weights and wage index. The same methodology was used for the FY 2000 budget neutrality adjustment. (See the discussion in the September 1, 1992 final rule (57 FR 39832).) Based on this comparison, we computed a budget neutrality adjustment factor equal to 0.997225. We also adjusted the Puerto Rico-specific standardized amounts to adjust for the effects of DRG reclassification and recalibration. We computed a budget neutrality adjustment factor for Puerto Rico-specific standardized amounts equal to 0.999649. These budget neutrality adjustment factors are applied to the standardized amounts without removing the effects of the FY 2000 budget neutrality adjustments. We do not remove the prior budget neutrality adjustment because estimated aggregate payments after the changes in the DRG relative weights and wage index should equal estimated aggregate payments prior to the changes. If we removed the prior year adjustment, we would not satisfy this condition.

In addition, we will continue to apply these same adjustment factors to the hospital-specific rates that are effective for cost

reporting periods beginning in on or after October 1, 2000. (See the discussion in the September 4, 1990 final rule (55 FR 6073).)

b. Reclassified Hospitals—Budget

Neutrality Adjustment. Section 1886(d)(8)(B) of the Act provides that, effective with discharges occurring on or after October 1, 1988, certain rural hospitals are deemed urban. In addition, section 1886(d)(10) of the Act provides for the reclassification of hospitals based on determinations by the Medicare Geographic Classification Review Board (MGCRB). Under section 1886(d)(10) of the Act, a hospital may be reclassified for purposes of the standardized amount or the wage index, or both.

Under section 1886(d)(8)(D) of the Act, the Secretary is required to adjust the standardized amounts so as to ensure that aggregate payments under the prospective payment system after implementation of the provisions of sections 1886(d)(8)(B) and (C) and 1886(d)(10) of the Act are equal to the aggregate prospective payments that would have been made absent these provisions. Section 152(b) of Public Law 106–113 requires reclassifications under that subsection to be treated as reclassifications under section 1886(d)(10) of the Act. To calculate this budget neutrality factor, we used historical discharge data to simulate payments, and compared total prospective payments (including IME and DSH payments) prior to any reclassifications to total prospective payments after reclassifications. In the May 5, 2000 proposed rule, based on these simulations, we applied an adjustment factor of 0.994270 to ensure that the effects of reclassification are budget neutral. The final budget neutrality adjustment factor is 0.993187.

The adjustment factor is applied to the standardized amounts after removing the effects of the FY 2000 budget neutrality adjustment factor. We note that the proposed FY 2001 adjustment reflected wage index and standardized amount reclassifications approved by the MGCRB or the Administrator as of February 29, 2000. The effects of any additional reclassification changes that occurred as a result of appeals and reviews of MGCRB decisions for FY 2001 or hospitals' withdrawal of reclassification requests are reflected in the final budget neutrality adjustment required under section 1886(d)(8)(D) of the Act and published in this final rule.

c. Outliers. Section 1886(d)(5)(A) of the Act provides for payments in addition to the basic prospective payments for "outlier" cases, cases involving extraordinarily high costs (cost outliers). Section 1886(d)(3)(B) of the Act requires the Secretary to adjust both the large urban and other area national standardized amounts by the same factor to account for the estimated proportion of total DRG payments made to outlier cases. Similarly, section 1886(d)(9)(B)(iv) of the Act requires the Secretary to adjust the large urban and other standardized amounts applicable to hospitals in Puerto Rico to account for the estimated proportion of total DRG payments made to outlier cases. Furthermore, under section 1886(d)(5)(A)(iv) of the Act, outlier payments for any year must be projected to be not less than 5

percent nor more than 6 percent of total payments based on DRG prospective payment rates.

i. FY 2001 outlier thresholds. For FY 2000, the fixed loss cost outlier threshold was equal to the prospective payment for the DRG plus \$14,050 (\$12,827 for hospitals that have not yet entered the prospective payment system for capital-related costs). The marginal cost factor for cost outliers (the percent of costs paid after costs for the case exceed the threshold) was 80 percent. We applied an outlier adjustment to the FY 2000 standardized amounts of 0.948859 for the large urban and other areas rates and 0.9402 for the capital Federal rate.

For FY 2001, we proposed to establish a fixed loss cost outlier threshold equal to the prospective payment rate for the DRG plus the IME and DSH payments plus \$17,250 (\$15,763 for hospitals that have not yet entered the prospective payment system for capital-related costs). In addition, we proposed to maintain the marginal cost factor for cost outliers at 80 percent. In setting the final FY 2001 outlier thresholds, we used updated data. In this final rule, we are establishing a fixed loss cost outlier threshold equal to the prospective payment rate for the DRG plus the IME and DSH payments plus \$17,550 (\$16,036 for hospitals that have not yet entered the prospective payment system for capital-related costs). In addition, we are maintaining the marginal cost factor for cost outliers at 80 percent. As we have explained in the past, to calculate outlier thresholds we apply a cost inflation factor to update costs for the cases used to simulate payments. For FY 1999, we used a cost inflation factor of minus 1.724 percent (a cost per case decrease of 1.724 percent). For FY 2000, we used a cost inflation factor of zero percent. To set the proposed FY 2001 outlier thresholds, we used a cost inflation factor of 1.0 percent. We are using a cost inflation factor of 1.8 percent to set the final FY 2001 outlier thresholds. This factor reflects our analysis of the best available cost report data as well as calculations (using the best available data) indicating that the percentage of actual outlier payments for FY 1999 is higher than we projected before the beginning of FY 1999, and that the percentage of actual outlier payments for FY 2000 will likely be higher than we projected before the beginning of FY 2000. The calculations of "actual" outlier payments are discussed below.

ii. Other changes concerning outliers. In accordance with section 1886(d)(5)(A)(iv) of the Act, we calculated outlier thresholds so that outlier payments are projected to equal 5.1 percent of total payments based on DRG prospective payment rates. In accordance with section 1886(d)(3)(E), we reduced the FY 2001 standardized amounts by the same percentage to account for the projected proportion of payments paid to outliers.

As stated in the September 1, 1993 final rule (58 FR 46348), we established outlier thresholds that are applicable to both inpatient operating costs and inpatient capital-related costs. When we modeled the combined operating and capital outlier payments, we found that using a common set of thresholds resulted in a higher percentage

of outlier payments for capital-related costs than for operating costs. We project that the thresholds for FY 2001 will result in outlier payments equal to 5.1 percent of operating DRG payments and 5.9 percent of capital payments based on the Federal rate.

The proposed outlier adjustment factors applied to the standardized amounts for FY 2001 were as follows:

	Operating standardized amounts	Capital federal rate
National	0.948865	0.9416
Puerto Rico	0.975408	0.9709

The final outlier adjustment factors applied to the standardized amounts for FY 2001 are as follows:

	Operating standardized amounts	Capital federal rate
National	0.948908	0.9409
Puerto Rico	0.974791	0.9699

As in the proposed rule, we apply the outlier adjustment factors after removing the effects of the FY 2000 outlier adjustment factors on the standardized amounts.

Table 8A in section VI of this Addendum contains the updated Statewide average operating cost-to-charge ratios for urban hospitals and for rural hospitals to be used in calculating cost outlier payments for those hospitals for which the fiscal intermediary is unable to compute a reasonable hospital-specific cost-to-charge ratio. These Statewide average ratios replace the ratios published in the July 30, 1999 final rule (64 FR 41620). Table 8B contains comparable Statewide average capital cost-to-charge ratios. These average ratios will be used to calculate cost outlier payments for those hospitals for which the fiscal intermediary computes operating cost-to-charge ratios lower than 0.200265 or greater than 1.298686 and capital cost-to-charge ratios lower than 0.01262 greater than 0.16792. This range represents 3.0 standard deviations (plus or minus) from the mean of the log distribution of cost-to-charge ratios for all hospitals. We note that the cost-to-charge ratios in Tables 8A and 8B will be used during FY 2001 when hospital-specific cost-to-charge ratios based on the latest settled cost report are either not available or outside the three standard deviations range.

iii. FY 1999 and FY 2000 outlier payments. In the July 30, 1999 final rule (64 FR 41547), we stated that, based on available data, we estimated that actual

FY 1999 outlier payments would be approximately 6.3 percent of actual total DRG payments. This was computed by simulating payments using the March 1998 bill data available at the time. That is, the estimate of actual outlier payments did not reflect actual FY 1999 bills but instead reflected the application of FY 1999 rates and policies to available FY 1998 bills. Our current estimate, using available FY 1999 bills, indicates that actual outlier payments for FY 1999 were approximately 7.6 percent of actual total DRG payments. We note that the MedPAR file for FY 1999 discharges continues to be updated. Thus, the data indicate that, for FY 1999, the percentage of actual outlier payments relative to actual total payments is higher than we projected before FY 1999 (and thus exceeds the percentage by which we reduced the standardized amounts for FY 1999). In fact, the data indicate that the proportion of actual outlier payments for FY 1999 exceeds 6 percent. Nevertheless, consistent with the policy and statutory interpretation we have maintained since the inception of the prospective payment system, we do not plan to recoup money and make retroactive adjustments to outlier payments for FY 1999.

We currently estimate that actual outlier payments for FY 2000 will be approximately 6.2 percent of actual total DRG payments, higher than the 5.1 percent we projected in setting outlier policies for FY 2000. This estimate is based on simulations using the March 2000 update of the provider-specific file and the March 2000 update of the FY 1999 MedPAR file (discharge data for FY 1999 bills). We used these data to calculate an estimate of the actual outlier percentage for FY 2000 by applying FY 2000 rates and policies to available FY 1999 bills.

Comment: Several commenters opposed the proposed change in the cost outlier fixed loss amount from \$14,050 to \$17,250. The commenters stated that our rationale for this change is that outlier payments were approximately 7.5 percent of total actual DRG payments in FY 1999 and are anticipated to be 6.1 percent in FY 2000. The commenters observed that no additional payments were made in previous years when outlier payments fell below 5.1 percent. The commenters stated that cost outlier thresholds were adjusted as a result of changes made by Public Law 105-33 and that the reason current payments exceed the 5.1 percent target was due to these changes. The commenters also noted that the majority of hospitals did not reap windfall profits on outlier cases, merely mitigated their

losses. The commenters characterized these losses as particularly devastating as they come at a time when MedPAC's analyses show that hospitals' financial performance is deteriorating. One commenter suggested that the Secretary consider acting independently of Congress by lowering the FY 2001 outlier threshold without further reducing the standardized payment amount.

Response: We believe the commenters misunderstood the methodology for calculating the FY 2001 outlier fixed loss amount. Under section 1886(d)(5)(A)(iv) of the Act, we are required to set the outlier threshold at a level such that outlier payments are projected to be not less than 5 percent nor more than 6 percent of total payments based on DRG prospective payment rates. That FY 2000 outlier payments are now anticipated to exceed 5.1 percent of total payments is an indication that costs are rising faster than we predicted when setting the outlier fixed loss amount prior to the beginning of FY 2000. This was one of several factors taken into consideration when we estimated FY 2001 costs to model projected outlier payments for FY 2001. The outlier fixed loss amount is set to meet the aforementioned statutory requirement. Each year we set the outlier thresholds for the upcoming fiscal year by making projections based on the best available data; we do not make the thresholds more stringent simply because current data indicate that, in a previous year, actual outlier payments turned out to be more than we projected when we set the outlier thresholds for that year. Thus, the change in the outlier fixed loss amount from \$14,050 (for FY 2000) to \$17,250 (proposed FY 2001) reflects estimates and projections about costs in FY 2001. We did not increase the outlier fixed loss amount simply because we now expect that actual outlier payments exceed 5.1 percent of actual total DRG payments for FY 1999 and FY 2000 respectively.

We do not concur with the commenters' assertion that changes to the outlier methodology made by Public Law 105-33 caused current outlier payments to exceed 5.1 percent. Public Law 105-33 did not change the statutory requirement that projected outlier payments be between 5 percent and 6 percent of projected total payments based on DRG prospective payment rates. Again, we believe that current outlier payments are greater than expected in part because actual hospital costs may be higher than reflected in the methodology used to set the outlier threshold.

Finally, we believe in the concept of outlier payments as a protection against the financial effects of treating extraordinarily high-cost cases through an offsetting adjustment to the standardized amounts according to the statutory requirements set forth as required in sections 1886(d)(5)(A)(iv) and 1886(d)(3)(E) of the Act. These sections of the Act require that outlier thresholds be calculated so that outlier payments are projected to equal between 5 and 6 percent of total payments based on DRG prospective payment rates and the standardized amounts are to be reduced by the same percentage to account for the projected proportion of payments paid to outliers.

5. FY 2001 Standardized Amounts

The adjusted standardized amounts are divided into labor and nonlabor portions. Table 1A (Table 1E for sole community hospitals) contains the two national standardized amounts that are applicable to all hospitals, except hospitals in Puerto Rico. Under section 1886(d)(9)(A)(ii) of the Act, the Federal portion of the Puerto Rico payment rate is based on the discharge-weighted average of the national large urban standardized amount and the national other standardized amount (as set forth in Table 1A). The labor and nonlabor portions of the national average standardized amounts for Puerto Rico hospitals are set forth in Table 1C. This table also includes the Puerto Rico standardized amounts.

B. Adjustments for Area Wage Levels and Cost of Living

Tables 1A, 1C and 1E, as set forth in this Addendum, contain the labor-related and nonlabor-related shares used to calculate the prospective payment rates for hospitals located in the 50 States, the District of Columbia, and Puerto Rico. This section addresses two types of adjustments to the standardized amounts that are made in determining the prospective payment rates as described in this Addendum.

1. Adjustment for Area Wage Levels

Sections 1886(d)(3)(E) and 1886(d)(9)(C)(iv) of the Act require that we make an adjustment to the labor-related portion of the prospective payment rates to account for area differences in hospital wage levels. This adjustment is made by multiplying the labor-related portion of the adjusted standardized amounts by the appropriate wage index for the area in which the hospital is located. In section III of this preamble, we discuss the data and methodology for the FY 2001 wage index. The wage index is set forth in

Tables 4A through 4F of this Addendum.

2. Adjustment for Cost-of-Living in Alaska and Hawaii

Section 1886(d)(5)(H) of the Act authorizes an adjustment to take into account the unique circumstances of hospitals in Alaska and Hawaii. Higher labor-related costs for these two States are taken into account in the adjustment for area wages described above. For FY 2001, we are adjusting the payments for hospitals in Alaska and Hawaii by multiplying the nonlabor portion of the standardized amounts by the appropriate adjustment factor contained in the table below.

TABLE OF COST-OF-LIVING ADJUSTMENT FACTORS, ALASKA AND HAWAII HOSPITALS

Alaska:	
All areas	1.25
Hawaii:	
County of Honolulu	1.25
County of Hawaii	1.15
County of Kauai	1.225
County of Maui	1.225
County of Kalawao	1.225

The above factors are based on data obtained from the U.S. Office of Personnel Management.

C. DRG Relative Weights

As discussed in section II of the preamble, we have developed a classification system for all hospital discharges, assigning them into DRGs, and have developed relative weights for each DRG that reflect the resource utilization of cases in each DRG relative to Medicare cases in other DRGs. Table 5 of section VI of this Addendum contains the relative weights that we will use for discharges occurring in FY 2001. These factors have been recalibrated as explained in section II of the preamble.

D. Calculation of Prospective Payment Rates for FY 2001

General Formula for Calculation of Prospective Payment Rates for FY 2001

The prospective payment rate for all hospitals located outside of Puerto Rico except sole community hospitals and Medicare-dependent, small rural hospitals = Federal rate.

The prospective payment rate for sole community hospitals = whichever of the following rates yields the greatest aggregate payment: The Federal national rate, the updated hospital-specific rate based on FY 1982 cost per discharge, the updated hospital-specific rate based on FY 1987 cost per discharge, or, if the sole community hospital was paid for

its cost reporting period beginning during FY 1999 on the basis of either its FY 1982 or FY 1987 hospital-specific rate and elects rebasing, 25 percent of its updated hospital-specific rate based on FY 1996 cost per discharge plus 75 percent of its updated FY 1982 or FY 1987 hospital-specific rate.

Prospective payment rate for Medicare-dependent, small rural hospitals = 100 percent of the Federal rate, or, if the greater of the updated FY 1982 hospital-specific rate or the updated FY 1987 hospital-specific rate is higher than the Federal rate, 100 percent of the Federal rate plus 50 percent of the difference between the applicable hospital-specific rate and the Federal rate.

Prospective payment rate for Puerto Rico = 50 percent of the Puerto Rico rate + 50 percent of a discharge-weighted average of the national large urban standardized amount and the Federal national other standardized amount.

1. Federal Rate

For discharges occurring on or after October 1, 2000 and before October 1, 2001, except for sole community hospitals, Medicare-dependent, small rural hospitals and hospitals in Puerto Rico, the hospital's payment is based exclusively on the Federal national rate.

The payment amount is determined as follows:

Step 1—Select the appropriate national standardized amount considering the type of hospital and designation of the hospital as large urban or other (see Table 1A or 1E1 in section VI of this Addendum).

Step 2—Multiply the labor-related portion of the standardized amount by the applicable wage index for the geographic area in which the hospital is located (see Tables 4A, 4B, and 4C of section VI of this Addendum).

Step 3—For hospitals in Alaska and Hawaii, multiply the nonlabor-related portion of the standardized amount by the appropriate cost-of-living adjustment factor.

Step 4—Add the amount from Step 2 and the nonlabor-related portion of the standardized amount (adjusted, if appropriate, under Step 3).

Step 5—Multiply the final amount from Step 4 by the relative weight corresponding to the appropriate DRG (see Table 5 of section VI of this Addendum).

2. Hospital-Specific Rate (Applicable Only to Sole Community Hospitals and Medicare-Dependent, Small Rural Hospitals)

Section 1886(b)(3)(C) of the Act, as amended by section 405 of Public Law

106–113, provides that sole community hospitals are paid based on whichever of the following rates yields the greatest aggregate payment: the Federal national rate, the updated hospital-specific rate based on FY 1982 cost per discharge, the updated hospital-specific rate based on FY 1987 cost per discharge, or, if the sole community hospital was paid for its cost reporting period beginning during FY 1999 on the basis of either its FY 1982 or FY 1987 hospital-specific rate and elects rebasing, 25 percent of its updated hospital-specific rate based on FY 1996 cost per discharge plus 75 percent of the updated FY 1982 or FY 1987 hospital-specific rate.

Section 1886(d)(5)(G) of the Act, as amended by section 404 of Public Law 106–113, provides that Medicare-dependent, small rural hospitals are paid based on whichever of the following rates yields the greatest aggregate payment: the Federal rate or the Federal rate plus 50 percent of the difference between the Federal rate and the greater of the updated hospital-specific rate based on FY 1982 and FY 1987 cost per discharge.

Hospital-specific rates have been determined for each of these hospitals based on either the FY 1982 cost per discharge, the FY 1987 cost per discharge or, for qualifying sole community hospitals, the FY 1996 cost per discharge. For a more detailed discussion of the calculation of the hospital-specific rates, we refer the reader to the September 1, 1983 interim final rule (48 FR 39772); the April 20, 1990 final rule with comment (55 FR 15150); and the September 4, 1990 final rule (55 FR 35994).

a. *Updating the FY 1982 and FY 1987 Hospital-Specific Rates for FY 2001.* We are increasing the hospital-specific rates by 3.4 percent (the hospital market basket rate of increase) for sole community hospitals and by 2.3 percent (the hospital market basket percentage increase minus 1.1 percentage points) for Medicare-dependent, small rural hospitals for FY 2001. Section 1886(b)(3)(C)(iv) of the Act provides that the update factor applicable to the hospital-specific rates for sole community hospitals equal the update factor provided under section 1886(b)(3)(B)(iv) of the Act, which, for sole community hospitals in FY 2001, is the market basket rate of increase. Section 1886(b)(3)(D) of the Act provides that the update factor applicable to the hospital-specific rates for Medicare-dependent, small rural hospitals equal the update factor provided under section 1886(b)(3)(B)(iv) of the Act, which, for FY 2001, is the

market basket rate of increase minus 1.1 percentage points.

b. Calculation of Hospital-Specific Rate. For sole community hospitals, the applicable FY 2001 hospital-specific rate is the greater of the following: the hospital-specific rate for the preceding fiscal year, increased by the applicable update factor (3.4 percent); or, if the hospital qualifies to rebase its hospital-specific rate based on cost per case in FY 1996 and elects rebasing, 75 percent of the hospital-specific rate for the preceding fiscal year, increased by the applicable update factor, plus 25 percent of its rebased FY 1996 hospital-specific rate updated through FY 2001. For Medicare-dependent, small rural hospitals, the applicable FY 2001 hospital-specific rate is calculated by increasing the hospital's hospital-specific rate for the preceding fiscal year by the applicable update factor (2.3 percent), which is the same as the update for all prospective payment hospitals, except sole community hospitals. In addition, the hospital-specific rate is adjusted by the budget neutrality adjustment factor (that is, 0.997225) as discussed in section II.A.4.a. of this Addendum. The resulting rate is used in determining under which rate a sole community hospital or Medicare-dependent, small rural hospital is paid for its discharges beginning on or after October 1, 2000, based on the formula set forth above.

3. General Formula for Calculation of Prospective Payment Rates for Hospitals Located in Puerto Rico Beginning on or After October 1, 2000 and Before October 1, 2001

a. Puerto Rico Rate. The Puerto Rico prospective payment rate is determined as follows:

Step 1—Select the appropriate adjusted average standardized amount considering the large urban or other designation of the hospital (see Table 1C of section VI of the Addendum).

Step 2—Multiply the labor-related portion of the standardized amount by the appropriate Puerto Rico-specific wage index (see Table 4F of section VI of the Addendum).

Step 3—Add the amount from Step 2 and the nonlabor-related portion of the standardized amount.

Step 4—Multiply the result in Step 3 by 50 percent.

Step 5—Multiply the amount from Step 4 by the appropriate DRG relative weight (see Table 5 of section VI of the Addendum).

b. National Rate. The national prospective payment rate is determined as follows:

Step 1—Multiply the labor-related portion of the national average standardized amount (see Table 1C of section VI of the Addendum) by the appropriate national wage index (see Tables 4A and 4B of section VI of the Addendum).

Step 2—Add the amount from Step 1 and the nonlabor-related portion of the national average standardized amount.

Step 3—Multiply the result in Step 2 by 50 percent.

Step 4—Multiply the amount from Step 3 by the appropriate DRG relative weight (see Table 5 of section VI of the Addendum).

The sum of the Puerto Rico rate and the national rate computed above equals the prospective payment for a given discharge for a hospital located in Puerto Rico.

III. Changes to the Payment Rates for Blood Clotting Factor for Hemophilia Inpatients

For the past 2 years in the **Federal Register** (63 FR 41010 and 64 FR 41549), we have discussed section 4452 of Public Law 105–33, which amended section 6011(d) of Public Law 101–239 to reinstate the add-on payment for the costs of administering blood clotting factor to Medicare beneficiaries who have hemophilia and who are hospital inpatients for discharges occurring on or after October 1, 1997. In these prior rules, we have described the payment policy that the payment amount for clotting factors covered by this inpatient benefit is equal to 85 percent of the AWP, subject to the Part A deductible and coinsurance requirements, and specifically listed the updated add-on payment amounts for each clotting factor, as described by HCFA's Common Procedure Coding System (HCPCS). Because we are not changing the policy established 2 years ago, we are discontinuing the practice of listing these amounts in the annual proposed and final rules. Instead, the program manuals will instruct fiscal intermediaries to follow this policy and obtain the average wholesale price (AWP) for each relevant HCPCS from either their corresponding local carrier or the Medicare durable medical equipment regional carrier (DMERC) that has jurisdiction in their area. Carriers already calculate the AWP based on the median AWP of the several products available in each category of factor.

The payment amounts will be determined using the most recent AWP data available to the carrier at the time the intermediary performs these annual update calculations.

These amounts are updated annually and are effective for discharges beginning on or after October 1 of the current year through September 30 of the following year. Payment will be made for blood clotting factor only if there is an ICD–9–CM diagnosis code for hemophilia included on the bill.

Comment: One commenter disagreed with our proposal to have individual Medicare contractors determine the payment allowance for the pass-through amount payable for clotting factors for inpatients with hemophilia. The commenter stated that individual Medicare contractors would not maintain a uniform payment amount and this inconsistency would result in wide disparities in reimbursement. The commenter recommended that HCFA continue to set a standard national rate that would be the same for everyone. The commenter also expressed concern that updates in payment allowances for clotting factors would vary widely among contractors.

Response: We continue to believe that our carriers are the most appropriate entities to obtain the AWP for these factors, and are therefore proceeding with our proposed change. While we do not anticipate inconsistency in the payment allowances for these products around the country, we do not want to jeopardize access to these essential biologicals for Medicare beneficiaries who are hemophiliacs. Therefore, we have determined that a more appropriate approximation for the cost of clotting factor furnished on an inpatient basis is 95 percent of the AWP, consistent with the Part B benefit for the same factors. This increase from 85 percent to 95 percent of the AWP will assure access despite possible Medicare contractor variations in the applicable AWP.

IV. Changes to Payment Rates for Inpatient Capital-Related Costs for FY 2001

The prospective payment system for hospital inpatient capital-related costs was implemented for cost reporting periods beginning on or after October 1, 1991. Effective with that cost reporting period and during a 10-year transition period extending through FY 2001, hospital inpatient capital-related costs are paid on the basis of an increasing proportion of the capital prospective payment system Federal rate and a decreasing proportion of a hospital's historical costs for capital.

The basic methodology for determining capital Federal prospective rates is set forth at §§ 412.308 through 412.352. Below we discuss the factors that we used to determine the capital

Federal rate and the hospital-specific rates and the hospital-specific rates for FY 2001. The rates will be effective for discharges occurring on or after October 1, 2000.

For FY 1992, we computed the standard Federal payment rate for capital-related costs under the prospective payment system by updating the FY 1989 Medicare inpatient capital cost per case by an actuarial estimate of the increase in Medicare inpatient capital costs per case. Each year after FY 1992, we update the standard capital Federal rate, as provided in § 412.308(c)(1), to account for capital input price increases and other factors. Also, § 412.308(c)(2) provides that the capital Federal rate is adjusted annually by a factor equal to the estimated proportion of outlier payments under the capital Federal rate to total capital payments under the capital Federal rate. In addition, § 412.308(c)(3) requires that the capital Federal rate be reduced by an adjustment factor equal to the estimated proportion of payments for exceptions under § 412.348. Furthermore, § 412.308(c)(4)(ii) requires that the capital Federal rate be adjusted so that the annual DRG reclassification and the recalibration of DRG weights and changes in the geographic adjustment factor are budget neutral. For FYs 1992 through 1995, § 412.352 required that the capital Federal rate also be adjusted by a budget neutrality factor so that aggregate payments for inpatient hospital capital costs were projected to equal 90 percent of the payments that would have been made for capital-related costs on a reasonable cost basis during the fiscal year. That provision expired in FY 1996. Section 412.308(b)(2) describes the 7.4 percent reduction to the rate that was made in FY 1994, and § 412.308(b)(3) describes the 0.28 percent reduction to the rate made in FY 1996 as a result of the revised policy of paying for transfers. In the FY 1998 final rule with comment period (62 FR 45966), we implemented section 4402 of Public Law 105–33, which requires that for discharges occurring on or after October 1, 1997, and before October 1, 2002, the unadjusted standard capital Federal rate is reduced by 17.78 percent. A small part of that reduction will be restored effective October 1, 2002.

For each hospital, the hospital-specific rate was calculated by dividing the hospital's Medicare inpatient capital-related costs for a specified base year by its Medicare discharges (adjusted for transfers), and dividing the result by the hospital's case mix index (also adjusted for transfers). The

resulting case-mix adjusted average cost per discharge was then updated to FY 1992 based on the national average increase in Medicare's inpatient capital cost per discharge and adjusted by the exceptions payment adjustment factor and the budget neutrality adjustment factor to yield the FY 1992 hospital-specific rate. Since FY 1992, the hospital-specific rate has been updated annually for inflation and for changes in the exceptions payment adjustment factor. For FYs 1992 through 1995, the hospital-specific rate was also adjusted by a budget neutrality adjustment factor. Section 4402 of Public Law 105–33 also requires that for discharges occurring on or after October 1, 1997, and before October 1, 2002, the unadjusted hospital-specific rate is reduced by 17.78 percent. A small part of this reduction will be restored effective October 1, 2002.

To determine the appropriate budget neutrality adjustment factor and the exceptions payment adjustment factor, we developed a dynamic model of Medicare inpatient capital-related costs, that is, a model that projects changes in Medicare inpatient capital-related costs over time. With the expiration of the budget neutrality provision, the model is still used to estimate the exceptions payment adjustment and other factors. The model and its application are described in greater detail in Appendix B of this final rule.

In accordance with section 1886(d)(9)(A) of the Act, under the prospective payment system for inpatient operating costs, hospitals located in Puerto Rico are paid for operating costs under a special payment formula. Prior to FY 1998, hospitals in Puerto Rico were paid a blended rate that consisted of 75 percent of the applicable standardized amount specific to Puerto Rico hospitals and 25 percent of the applicable national average standardized amount. However, effective October 1, 1997, as a result of section 4406 of Public Law 105–33, operating payments to hospitals in Puerto Rico are based on a blend of 50 percent of the applicable standardized amount specific to Puerto Rico hospitals and 50 percent of the applicable national average standardized amount. In conjunction with this change to the operating blend percentage, effective with discharges on or after October 1, 1997, we compute capital payments to hospitals in Puerto Rico based on a blend of 50 percent of the Puerto Rico rate and 50 percent of the capital Federal rate.

Section 412.374 provides for the use of this blended payment system for payments to Puerto Rico hospitals under

the prospective payment system for inpatient capital-related costs. Accordingly, for capital-related costs, we compute a separate payment rate specific to Puerto Rico hospitals using the same methodology used to compute the national Federal rate for capital.

A. Determination of Federal Inpatient Capital-Related Prospective Payment Rate Update

In the July 30, 1999 final rule (64 FR 41551), we established a capital Federal rate of \$377.03 for FY 2000. In the proposed rule, we stated that, as a result of the changes we proposed to the factors used to establish the capital Federal rate, the proposed FY 2001 capital Federal rate was \$383.06. In this final rule, we are establishing a FY 2001 capital Federal rate of \$382.03.

In the discussion that follows, we explain the factors that were used to determine the FY 2001 capital Federal rate. In particular, we explain why the FY 2001 capital Federal rate has increased 1.33 percent compared to the FY 2000 capital Federal rate. We also estimate aggregate capital payments will increase by 5.48 percent during this same period. This increase is primarily due to the increase in the number of hospital admissions, the increase in case-mix, and the increase in the Federal blend percentage from 90 to 100 percent for fully prospective payment hospitals.

Total payments to hospitals under the prospective payment system are relatively unaffected by changes in the capital prospective payments. Since capital payments constitute about 10 percent of hospital payments, a 1 percent change in the capital Federal rate yields only about 0.1 percent change in actual payments to hospitals. Aggregate payments under the capital prospective payment transition system are estimated to increase in FY 2001 compared to FY 2000.

1. Standard Capital Federal Rate Update

a. Description of the Update Framework

Under § 412.308(c)(1), the standard capital Federal rate is updated on the basis of an analytical framework that takes into account changes in a capital input price index and other factors. The update framework consists of a capital input price index (CPII) and several policy adjustment factors. Specifically, we have adjusted the projected CPII rate of increase as appropriate each year for case-mix index-related changes, for intensity, and for errors in previous CPII forecasts. The proposed rule reflected an update factor for FY 2001 under that framework of 0.9 percent, based on data available at that

time. Under the update framework, the final update factor for FY 2001 is 0.9 percent. This update factor is based on a projected 0.9 percent increase in the CIPI, a 0.0 percent adjustment for intensity, a 0.0 percent adjustment for case-mix, a 0.0 percent adjustment for the FY 1999 DRG reclassification and recalibration, and a forecast error correction of 0.0 percent. We explain the basis for the FY 2001 CIPI projection in section II.D of this Addendum. In this section IV of the Addendum, we describe the policy adjustments that have been applied.

The case-mix index is the measure of the average DRG weight for cases paid under the prospective payment system. Because the DRG weight determines the prospective payment for each case, any percentage increase in the case-mix index corresponds to an equal percentage increase in hospital payments.

The case-mix index can change for any of several reasons:

- The average resource use of Medicare patients changes ("real" case-mix change);
- Changes in hospital coding of patient records result in higher weight DRG assignments ("coding effects"); and
- The annual DRG reclassification and recalibration changes may not be budget neutral ("reclassification effect").

We define real case-mix change as actual changes in the mix (and resource requirements) of Medicare patients as opposed to changes in coding behavior that result in assignment of cases to higher weighted DRGs but do not reflect higher resource requirements. In the update framework for the prospective payment system for operating costs, we adjust the update upwards to allow for real case-mix change, but remove the effects of coding changes on the case-mix index. We also remove the effect on total payments of prior changes to the DRG classifications and relative weights, in order to retain budget neutrality for all case-mix index-related changes other than patient severity. (For example, we adjusted for the effects of the FY 1999 DRG reclassification and recalibration as part of our FY 2001 update recommendation.) We have adopted this case-mix index adjustment in the capital update framework as well.

For FY 2001, we are projecting a 0.5 percent increase in the case-mix index. We estimate that real case-mix increase will equal 0.5 percent in FY 2001. Therefore, the net adjustment for case-mix change in FY 2001 is 0.0 percentage points.

Comment: One commenter stated that the magnitude of the upward

adjustment of 0.5 percent for real case-mix change and the downward adjustment of 0.5 percent for projected case-mix change (a net case-mix adjustment of 0.0 percent) for FY 2001 appears inconsistent with past numbers published by HCFA. They recommend that we review our adjustment for case-mix and provide a basis for these adjustment amounts.

Response: HCFA's Office of the Actuary estimates the projection of total case-mix changes used in the capital and operating update frameworks. The estimate of case-mix change for FY 2001 is the same as the estimate of case-mix change for FY 2000 published in the July 30, 1999 final rule (64 FR 41551). This estimate of case-mix change for FY 2001 is also very close to what has been used for the past 5 years. Past estimates of case-mix change have always assumed that most of the case-mix change will be real, and therefore the net adjustments for case-mix change have always been small or zero. Again this year, our estimate assumes the same kind of relationship. Therefore, we believe that our projection of a 0.5 percent increase in the case-mix index and our estimate that real case-mix increase will equal 0.5 percent (for a net case-mix adjustment of 0.0 percent) in FY 2001 is consistent with past case-mix change update recommendations. As more experience develops we may be able to develop a better estimate of the real part of the case-mix increase.

We estimate that FY 1999 DRG reclassification and recalibration will result in a 0.0 percent change in the case-mix when compared with the case-mix index that would have resulted if we had not made the reclassification and recalibration changes to the DRGs. Therefore, we are making a 0.0 percent adjustment for DRG reclassification and recalibration in the update recommendation for FY 2001.

The capital update framework contains an adjustment for forecast error. The input price index forecast is based on historical trends and relationships ascertainable at the time the update factor is established for the upcoming year. In any given year there may be unanticipated price fluctuations that may result in differences between the actual increase in prices and the forecast used in calculating the update factors. In setting a prospective payment rate under the framework, we make an adjustment for forecast error only if our estimate of the change in the capital input price index for any year is off by 0.25 percentage points or more. There is a 2-year lag between the forecast and the measurement of the forecast error. A forecast error of 0.0 percentage points

was calculated for the FY 1999 update. That is, current historical data indicate that the FY 1999 CIPI used in calculating the forecasted FY 1999 update factor did not overstate or understate realized price increases. We therefore are making a 0.0 percent adjustment for forecast error in the update for FY 2001.

Under the capital prospective payment system framework, we also make an adjustment for changes in intensity. We calculate this adjustment using the same methodology and data as in the framework for the operating prospective payment system. The intensity factor for the operating update framework reflects how hospital services are utilized to produce the final product, that is, the discharge. This component accounts for changes in the use of quality-enhancing services, changes in within-DRG severity, and expected modification of practice patterns to remove cost-ineffective services.

We calculate case-mix constant intensity as the change in total charges per admission, adjusted for price level changes (the CPI for hospital and related services), and changes in real case-mix. The use of total charges in the calculation of the proposed intensity factor makes it a total intensity factor, that is, charges for capital services are already built into the calculation of the factor. Therefore, we have incorporated the intensity adjustment from the operating update framework into the capital update framework. Without reliable estimates of the proportions of the overall annual intensity increases that are due, respectively, to ineffective practice patterns and to the combination of quality-enhancing new technologies and within-DRG complexity, we assume, as in the revised operating update framework, that one-half of the annual increase is due to each of these factors. The capital update framework thus provides an add-on to the input price index rate of increase of one-half of the estimated annual increase in intensity to allow for within-DRG severity increases and the adoption of quality-enhancing technology.

For FY 2001, we have developed a Medicare-specific intensity measure based on a 5-year average using FY 1995 through 1999 data. In determining case-mix constant intensity, we found that observed case-mix increase was 1.7 percent in FY 1995, 1.6 percent in FY 1996, 0.3 percent in FY 1997, -0.4 percent in FY 1998, and -0.3 percent in FY 1999. For FY 1995 and FY 1996, we estimate that real case-mix increase was 1.0 to 1.4 percent each year. The estimate for those years is supported by

past studies of case-mix change by the RAND Corporation. The most recent study was "Has DRG Creep Crept Up? Decomposing the Case Mix Index Change Between 1987 and 1988" by G. M. Carter, J. P. Newhouse, and D. A. Relles, R-4098-HCFA/ProPAC (1991). The study suggested that real case-mix change was not dependent on total change, but was usually a fairly steady 1.0 to 1.5 percent per year. We use 1.4 percent as the upper bound because the RAND study did not take into account that hospitals may have induced doctors to document medical records more completely in order to improve payment. Following that study, we consider up to 1.4 percent of observed case-mix change as real for FY 1995 through FY 1999. Based on this analysis, we believe that all of the observed case-mix increase for FY 1997, FY 1998, and FY 1999 is real. The increases for FY 1995 and FY 1996 were in excess of our estimate of real case-mix increase.

We calculate case-mix constant intensity as the change in total charges per admission, adjusted for price level changes (the CPI for hospital and related services), and changes in real case-mix. Given estimates of real case-mix of 1.0 percent for FY 1995, 1.0 percent for FY 1996, 0.3 percent for FY 1997, -0.4 percent for FY 1998, and -0.3 percent for FY 1999, we estimate that case-mix constant intensity declined by an average 0.7 percent during FYs 1995 through 1999, for a cumulative decrease of 3.6 percent. If we assume that real case-mix increase was 1.4 percent for FY 1995, 1.4 percent for FY 1996, 0.3 percent for FY 1997, -0.4 percent for FY 1998, and -0.3 percent for FY 1999, we estimate that case-mix constant intensity declined by an average 0.9 percent during FYs 1995 through 1999, for a cumulative decrease of 4.5 percent. Since we estimate that intensity has declined during that period, we are recommending a 0.0 percent intensity adjustment for FY 2001.

We note that the operating recommendation addressed in Appendix C of this final rule reflects the possible range that a negative adjustment could span (-0.6 percent to 0.0 percent adjustment) based on our analyses that intensity has declined during that 5-year period. While the calculation of the adjustment for intensity is identical in both the capital and the operating update frameworks, consistent with past capital update recommendations and the FY 2001 operating recommendation, we did not make a negative adjustment for intensity in the FY 2001 capital update.

b. Comparison of HCFA and MedPAC Update Recommendations. MedPAC's FY 2001 update recommendation for capital prospective payments was not included in its March 2000 Report to Congress. In the May 5, 2000 proposed rule, we stated that we would address the comparison of HCFA's update recommendation and MedPAC's update recommendation in this final rule, once we have had the opportunity to review the data analyses that substantiate MedPAC's recommendation.

In its June 2000 Report to Congress, MedPAC presented a combined operating and capital update for hospital inpatient prospective payment system payments for FY 2001, and recommended that Congress implement a single combined (operating and capital) prospective payment system rate. With the end of the transition to fully prospective capital payments ending with FY 2001, both operating and capital prospective system payments will be made using standard Federal rates adjusted by hospital specific payment variables. Currently, section 1886(b)(3)(B)(i)(XVI) of the Act sets forth the FY 2001 percentage increase in the prospective payment system operating cost standardized amounts. The prospective payment system capital update is set under the framework established by the Secretary outlined in § 412.308(c)(1).

For FY 2001, MedPAC's update framework supports a combined operating and capital update for hospital inpatient prospective payment system payments of 3.5 percent to 4.0 percent (or between the increase in the combined operating and capital market basket plus 0.6 percentage points and the increase in the combined operating and capital market basket plus 1.1 percentage points). MedPAC also notes that while the number of hospitals with negative inpatient hospital margins have increased in FY 1998 (mostly likely as the result of the implementation of Pub. L. 105-33), overall high inpatient Medicare margins generally offset hospital losses on other lines of Medicare services. MedPAC continues to project positive (greater than 11 percentage points) Medicare inpatient hospital margins through FY 2002.

MedPAC's FY 2001 combined operating and capital update framework uses a weighted average of HCFA's forecasts of the operating (PPS Input Price Index) and capital (CIPI) market baskets. This combined market basket is used to develop an estimate of the change in overall operating and capital prices. MedPAC calculated a combined market basket forecast by weighting the operating market basket forecast by 0.92

and the capital market basket forecast by 0.08, since operating costs are estimated to represent 92 percent of total hospital costs (capital costs are estimated to represent the remaining 8 percent of total hospital costs). MedPAC's combined market basket for FY 2001 is estimated to increase by 2.9 percent, based on HCFA's March 2000 forecasted operating market basket increase of 3.1 percent and HCFA's March 2000 forecasted capital market basket increase of 0.9 percent.

HCFA's Response to MedPAC's Recommendation: As we stated in the May 5, 2000 proposed rule (65 FR 26317), we responded to a similar comment in the July 30, 1999 final rule (64 FR 41552), the July 31, 1998 final rule (63 FR 41013), and the September 1, 1995 final rule (60 FR 45816). In those rules, we stated that our long-term goal was to develop a single update framework for operating and capital prospective payments and that we would begin development of a unified framework. However, we have not yet developed such a single framework as the actual operating system update has been determined by Congress through FY 2002. In the meantime, we intend to maintain as much consistency as possible with the current operating framework in order to facilitate the eventual development of a unified framework. We maintain our goal of combining the update frameworks at the end of the 10-year capital transition period (the end of FY 2001) and may examine combining the payment systems post-transition. Because of the similarity of the update frameworks, we believe that they could be combined with little difficulty.

Our recommendation for updating the prospective payment system capital Federal rate is supported by the following analyses that measure changes in scientific and technological advances, practice pattern changes, changes in case-mix, the effect of reclassification and recalibration, and forecast error correction. MedPAC recommends a 3.5 to 4.0 percent combined operating and capital update for hospital inpatient prospective payments. Under our existing capital update framework, we are recommending a 0.9 percent update to the capital Federal rate. For purposes of comparing HCFA's capital update recommendation and MedPAC's update recommendation for FY 2001, we have isolated the capital component of MedPAC's combined market basket forecast, which was based on HCFA's March 2000 CIPI forecast of 0.9 percent. As a result, MedPAC's update recommendation for FY 2001 for capital

payments is between 1.4 percent and 1.9 percent (see Table 1).

There are some differences between HCFA's and MedPAC's update frameworks, which account for the difference in the respective update recommendations. In it's combined FY 2001 update recommendation, MedPAC uses HCFA's capital input price index (the CIPI) as the starting point for estimating the change in prices since the previous year. HCFA's CIPI includes price measures for interest expense, which are an indicator of the interest rates facing hospitals during their capital purchasing decisions. Previously, MedPAC's capital market basket did not include interest expense; instead it included a financing policy adjustment when necessary to account for the prolonged changes in interest rates. HCFA's CIPI is vintage-weighted, meaning that it takes into account price changes from past purchases of capital when determining the current period update. In the past, MedPAC's capital market basket was not vintage-weighted, and only accounted for the current year price changes. This year, both HCFA's and MedPAC's FY 2001 update frameworks use HCFA's CIPI, which is currently forecast at 0.9 percent.

MedPAC and HCFA also differ in the adjustments they make in their respective frameworks. (See Table 1 for a comparison of HCFA and MedPAC's update recommendations.) MedPAC makes an adjustment for scientific and technological advances, which is offset by a fixed standard for productivity growth. HCFA has not adopted a separate adjustment for capital science and technology or productivity and efficiency. Instead, we have identified a total intensity factor, which reflects scientific and technological advances, but we have not identified an adequate total productivity measure. The Commission also includes a site-of-care substitution adjustment (unbundling of the payment unit) to account for the decline in the average length of Medicare acute inpatient stays. This adjustment is designed to shift funding along with associated costs when

Medicare patients are discharged to postacute settings that replace acute inpatient days. Other factors, such as technological advances that allow for a decreased need in follow-up care and BBA mandated policy on payment for transfer cases that limits payments within certain DRGs, are reflected in the site-of-care substitution adjustment as well. A negative intensity adjustment would capture the site-of-care substitution accounted for in MedPAC's update framework. However, we did not make a negative adjustment for intensity this year. We may examine the appropriateness of adopting a negative intensity adjustment at a later date.

For FY 2001, MedPAC recommends a 0.0 percent combined adjustment for site-of-care substitutions. MedPAC recommends a 0.0 to a 0.5 percent combined adjustment for scientific and technological advances, which was offset by a fixed productivity standard of 0.5 percent for FY 2001. We recommend a 0.0 percent intensity adjustment.

Additionally, MedPAC has included an adjustment for one-time factors to account for significant costs incurred by hospitals for unusual, non-recurring events or for the costs of major new regulatory requirements. The Commission is not recommending any additional allowance for FY 2001 and recommends a 0.0 percent combined adjustment for one-time factors for FY 2001.

MedPAC makes a two-part adjustment for case-mix changes, which takes into account changes in case-mix in the past year. They recommend a 0.5 percent combined adjustment for DRG coding change and a 0.0 percent combined adjustment for within-DRG complexity change. This results in a combined total case mix adjustment of 0.5 percent. We recommend a 0.0 percent total case-mix adjustment, since we are projecting a 0.5 percent increase in the case-mix index and we estimate that real case-mix increase will equal 0.5 percent in FY 2001.

We recommend a 0.0 percent adjustment for forecast error correction.

MedPAC's combined FY 2001 update recommendation includes a 0.1 percent adjustment for forecast error correction. However, they noted that this forecast error adjustment is a result of the difference between the forecasted FY 1999 operating market basket of 2.4 percent and the actual FY 1999 operating market basket increase of 2.5 percent. The FY 1999 capital market basket forecast was equal to the actual observed increase of 0.7 percent for capital costs. Therefore, we have included 0.0 percent adjustment for FY 1999 forecast error correction in the comparison of MedPAC's and HCFA's update recommendations for FY 2001 shown below in Table 1.

We applied MedPAC's ratio of hospital capital costs to total hospital costs (8 percent) to the adjustment factors in their update framework for comparison with HCFA's capital update framework. The net result of these adjustments is that MedPAC has recommended a 0.9 to 1.0 percent update to the capital Federal rate for FY 2001. MedPAC believes that the annual updates to the capital and operating payments under the prospective payment system should not differ substantially, even though they are determined separately, since they correspond to costs generated by providing the same inpatient hospital services to the same Medicare patients. We describe the basis for our 0.9 percent total capital update for FY 2001 in the preceding section. While our recommendation is below the range recommended by MedPAC, in past years our update recommendation has been above the lower limit of MedPAC's update recommendation. For instance, for FY 2000 MedPAC's update recommendation was -1.1 percent to 1.8 percent. HCFA's FY 2000 update factor was 0.3 percent, which is 1.4 percentage points higher than the lower limit of MedPAC's update recommendation. For FY 2001, our update 0.9 percent is only 0.5 percentage points below MedPAC's lower limit of their recommendation.

TABLE 1.—HCFA'S FY 2001 UPDATE FACTOR AND MEDPAC'S RECOMMENDATION

	HCFA's up- date factor	MedPAC's rec- ommenda- tion
Capital Input Price Index	0.9	0.9 ¹
Policy Adjustment Factors		
Intensity	0.0	0.0 to 0.5 (²)
Science and Technology .....	.....
Intensity .....	.....

TABLE 1.—HCFA'S FY 2001 UPDATE FACTOR AND MEDPAC'S RECOMMENDATION—Continued

	HCFA's update factor	MedPAC's recommendation
Real within DRG Change .....	.....	(³)
Site-of-Care Substitution .....	.....	0.0
Subtotal	0.0	0.0 to 0.5
Case-Mix Adjustment Factors		
Projected Case-Mix Change	-0.5	
Real Across DRG Change	0.5	
Coding Change .....	.....	0.5
Real within DRG Change	⁴	0.0
Subtotal	0.0	0.5
One-Time Factors .....	.....	0.0
Effect of FY 1998 Reclassification and Recalibration	0.0	
Forecast Error Correction	0.0	0.0
Total Update	0.9	1.4 to 1.9

¹ Used HCFA's March 2000 capital market basket forecast in its combined update recommendations.

² Included in MedPAC's productivity offset in its science and technology adjustment.

³ Included in MedPAC's case-mix adjustment.

⁴ Included in HCFA's intensity factor.

2. Outlier Payment Adjustment Factor

Section 412.312(c) establishes a unified outlier methodology for inpatient operating and inpatient capital-related costs. A single set of thresholds is used to identify outlier cases for both inpatient operating and inpatient capital-related payments. Outlier payments are made only on the portion of the capital Federal rate that is used to calculate the hospital's inpatient capital-related payments (for example, 100 percent for cost reporting periods beginning in FY 2001 for hospitals paid under the fully prospective payment methodology). Section 412.308(c)(2) provides that the standard Federal rate for inpatient capital-related costs be reduced by an adjustment factor equal to the estimated proportion of outlier payments under the capital Federal rate to total inpatient capital-related payments under the capital Federal rate. The outlier thresholds are set so that operating outlier payments are projected to be 5.1 percent of total operating DRG payments. The inpatient capital-related outlier reduction factor reflects the inpatient capital-related outlier payments that would be made if all hospitals were paid 100 percent of the capital Federal rate. For purposes of calculating the outlier thresholds and the outlier reduction factor, we model payments as if all hospitals were paid 100 percent of the capital Federal rate because, as explained above, outlier

payments are made only on the portion of the capital Federal rate that is included in the hospital's inpatient capital-related payments.

In the July 30, 1999 final rule, we estimated that outlier payments for capital in FY 2000 would equal 5.98 percent of inpatient capital-related payments based on the capital Federal rate (64 FR 41553). Accordingly, we applied an outlier adjustment factor of 0.9402 to the capital Federal rate. Based on the thresholds as set forth in section II.A.4.d. of this Addendum, we estimate that outlier payments for capital will equal 5.91 percent of inpatient capital-related payments based on the capital Federal rate in FY 2001. Therefore, we are establishing an outlier adjustment factor of 0.9409 to the capital Federal rate. Thus, the projected percentage of capital outlier payments to total capital standard payments for FY 2001 is lower than the percentage for FY 2000.

The outlier reduction factors are not built permanently into the rates; that is, they are not applied cumulatively in determining the capital Federal rate. Therefore, the net change in the outlier adjustment to the capital Federal rate for FY 2001 is 1.0007 (0.9409/0.9402). The outlier adjustment increases the FY 2001 capital Federal rate by 0.07 percent compared with the FY 2000 outlier adjustment.

3. Budget Neutrality Adjustment Factor for Changes in DRG Classifications and Weights and the Geographic Adjustment Factor

Section 412.308(c)(4)(ii) requires that the capital Federal rate be adjusted so that aggregate payments for the fiscal year based on the capital Federal rate after any changes resulting from the annual DRG reclassification and recalibration and changes in the GAF are projected to equal aggregate payments that would have been made on the basis of the capital Federal rate without such changes. We use the actuarial model, described in Appendix B of this final rule, to estimate the aggregate payments that would have been made on the basis of the capital Federal rate without changes in the DRG classifications and weights and in the GAF. We also use the model to estimate aggregate payments that would be made on the basis of the capital Federal rate as a result of those changes. We then use these figures to compute the adjustment required to maintain budget neutrality for changes in DRG weights and in the GAF.

For FY 2000, we calculated a GAF/DRG budget neutrality factor of 0.9985. In the proposed rule for FY 2001, we proposed a GAF/DRG budget neutrality factor of 0.9986. In this final rule, based on calculations using updated data, we are applying a factor of 0.9979. The GAF/DRG budget neutrality factors are built permanently into the rates; that is,

they are applied cumulatively in determining the capital Federal rate. This follows from the requirement that estimated aggregate payments each year be no more than they would have been in the absence of the annual DRG reclassification and recalibration and changes in the GAF. The incremental change in the adjustment from FY 2000 to FY 2001 is 0.9979. The cumulative change in the rate due to this adjustment is 0.9993 (the product of the incremental factors for FY 1993, FY 1994, FY 1995, FY 1996, FY 1997, FY 1998, FY 1999, FY 2000, and FY 2001: $0.9980 \times 1.0053 \times 0.9998 \times 0.9994 \times 0.9987 \times 0.9989 \times 1.0028 \times 0.9985 \times 0.9979 = 0.9993$).

This factor accounts for DRG reclassifications and recalibration and for changes in the GAF. It also incorporates the effects on the GAF of FY 2001 geographic reclassification decisions made by the MGRB compared to FY 2000 decisions. However, it does not account for changes in payments due to changes in the DSH and IME adjustment factors or in the large urban add-on.

4. Exceptions Payment Adjustment Factor

Section 412.308(c)(3) requires that the standard capital Federal rate for inpatient capital-related costs be reduced by an adjustment factor equal to the estimated proportion of additional payments for exceptions under § 412.348 relative to total payments under the hospital-specific rate and capital Federal rate. We use the model originally developed for determining the budget neutrality adjustment factor to determine the exceptions payment adjustment factor. We describe that model in Appendix B to this final rule.

For FY 2000, we estimated that exceptions payments would equal 2.70

percent of aggregate payments based on the capital Federal rate and the hospital-specific rate. Therefore, we applied an exceptions reduction factor of 0.9730 ($1 - 0.0270$) in determining the capital Federal rate. In the May 5, 2000 proposed rule, we estimated that exceptions payments for FY 2001 would equal 2.04 percent of aggregate payments based on the capital Federal rate and the hospital-specific rate. Therefore, we proposed an exceptions payment reduction factor of 0.9796 to the capital Federal rate for FY 2001. The proposed exceptions reduction factor for FY 2001 was 0.68 percent higher than the factor for FY 2000. For this final rule, based on updated data, we estimate that exceptions payments for FY 2001 will equal 2.15 percent of aggregate payments based on the capital Federal rate and the hospital-specific rate. We are, therefore, applying an exceptions payment reduction factor of 0.9785 ($1 - 0.0215$) to the capital Federal rate for FY 2001. The final exceptions reduction factor for FY 2001 is 0.57 percent higher than the factor for FY 2000 and 0.11 percent lower than the factor in the FY 2001 proposed rule.

The exceptions reduction factors are not built permanently into the rates; that is, the factors are not applied cumulatively in determining the capital Federal rate. Therefore, the net adjustment to the FY 2001 capital Federal rate is 0.9785/0.9730, or 1.0057.

5. Standard Capital Federal Rate for FY 2001

For FY 2000, the capital Federal rate was \$377.03. As a result of changes that we proposed to the factors used to establish the capital Federal rate, we proposed that the FY 2001 capital Federal rate would be \$383.06. In this final rule, we are establishing the capital Federal rate of \$382.03. The capital

Federal rate for FY 2001 was calculated as follows:

- The FY 2001 update factor is 1.0090; that is, the update is 0.90 percent.
- The FY 2001 budget neutrality adjustment factor that is applied to the standard capital Federal payment rate for changes in the DRG relative weights and in the GAF is 0.9979.
- The FY 2001 outlier adjustment factor is 0.9409.
- The FY 2001 exceptions payments adjustment factor is 0.9785.

Since the capital Federal rate has already been adjusted for differences in case-mix, wages, cost-of-living, indirect medical education costs, and payments to hospitals serving a disproportionate share of low-income patients, we have made no additional adjustments in the standard capital Federal rate for these factors other than the budget neutrality factor for changes in the DRG relative weights and the GAF.

We are providing a chart that shows how each of the factors and adjustments for FY 2001 affected the computation of the FY 2001 capital Federal rate in comparison to the FY 2000 capital Federal rate. The FY 2001 update factor has the effect of increasing the capital Federal rate by 0.90 percent compared to the rate in FY 2000, while the geographic and DRG budget neutrality factor has the effect of decreasing the capital Federal rate by 0.21 percent. The FY 2001 outlier adjustment factor has the effect of increasing the capital Federal rate by 0.07 percent compared to FY 2000. The FY 2001 exceptions reduction factor has the effect of increasing the capital Federal rate by 0.57 percent compared to the exceptions reduction for FY 2000. The combined effect of all the changes is to increase the capital Federal rate by 1.33 percent for FY 2001 compared to the capital Federal rate for FY 2000.

COMPARISON OF FACTORS AND ADJUSTMENTS: FY 2000 CAPITAL FEDERAL RATE AND FY 2001 CAPITAL FEDERAL RATE

	FY 2000	FY 2001	Change	Percent change
Update factor ¹	1.0030	1.0090	1.0090	0.90
GAF/DRG Adjustment Factor ¹	0.9985	0.9979	0.9979	-0.21
Outlier Adjustment Factor ²	0.9402	0.9409	1.0007	0.07
Exceptions Adjustment Factor ²	0.9730	0.9785	1.0057	0.57
Federal Rate	\$377.03	\$382.03	1.0133	1.33

¹ The update factor and the GAF/DRG budget neutrality factors are built permanently into the rates. Thus, for example, the incremental change from FY 2000 to FY 2001 resulting from the application of the 0.9979 GAF/DRG budget neutrality factor for FY 2001 is 0.9979.

² The outlier reduction factor and the exceptions reduction factor are not built permanently into the rates; that is, these factors are not applied cumulatively in determining the rates. Thus, for example, the net change resulting from the application of the FY 2001 outlier reduction factor is 0.9409/0.9402, or 1.0007.

As stated previously in this section, the FY 2001 capital Federal rate has

increased 1.33 percent compared to the FY 2000 capital Federal rate as a result

of the combination of the FY 2001 factors and adjustments applied to the

capital Federal rate. Specifically, the capital update factor increased the FY 2001 capital Federal rate 0.90 percent over FY 2000. The exceptions reduction factor increased 0.57 percent from 0.9730 for FY 2000 to 0.9785 for FY 2001, which results in an increase to the capital Federal rate for FY 2001 compared to FY 2000. Also, the outlier

adjustment factor increased 0.07 percent from 0.9402 for FY 2000 to 0.9409 for FY 2001, which results in an increase to the capital Federal rate for FY 2001 compared to FY 2000. The GAF/DRG adjustment factor decreased 0.21 percent from 0.9986 for FY 2000 to 0.9979 for FY 2001, which results in a decrease the capital Federal rate for FY

2001 compared to FY 2000. The effect of all of these changes is a 1.33 percent increase in the FY 2001 capital Federal rate compared to FY 2000.

We are also providing a chart that shows how the final FY 2001 capital Federal rate differs from the proposed FY 2001 capital Federal rate.

COMPARISON OF FACTORS AND ADJUSTMENTS: FY 2001 PROPOSED CAPITAL FEDERAL RATE AND FY 2001 FINAL CAPITAL FEDERAL RATE

	Proposed FY 2001	Final FY 2001	Change	Percent change
Update Factor ¹	1.0090	1.0090	1.0000	0.00
GAF/DRG Adjustment Factor	0.9986	0.9979	0.9992	-0.08
Outlier Adjustment Factor	0.9416	0.9409	0.9992	-0.08
Exceptions Adjustment Factor	0.9796	0.9785	0.9989	-0.11
Federal Rate	\$383.06	\$382.03	0.9973	-0.27

6. Special Rate for Puerto Rico Hospitals

As explained at the beginning of section IV of this Addendum, hospitals in Puerto Rico are paid based on 50 percent of the Puerto Rico rate and 50 percent of the capital Federal rate. The Puerto Rico rate is derived from the costs of Puerto Rico hospitals only, while the capital Federal rate is derived from the costs of all acute care hospitals participating in the prospective payment system (including Puerto Rico). To adjust hospitals' capital payments for geographic variations in capital costs, we apply a geographic adjustment factor (GAF) to both portions of the blended rate. The GAF is calculated using the operating prospective payment system wage index and varies depending on the MSA or rural area in which the hospital is located. We use the Puerto Rico wage index to determine the GAF for the Puerto Rico part of the capital-blended rate and the national wage index to determine the GAF for the national part of the blended rate.

Since we implemented a separate GAF for Puerto Rico in FY 1998, we also apply separate budget neutrality adjustments for the national GAF and for the Puerto Rico GAF. However, we apply the same budget neutrality factor for DRG reclassifications and recalibration nationally and for Puerto Rico. The Puerto Rico GAF budget neutrality factor is 1.0037, while the DRG adjustment is 1.0001, for a combined cumulative adjustment of 1.0037.

In computing the payment for a particular Puerto Rico hospital, the

Puerto Rico portion of the rate (50 percent) is multiplied by the Puerto Rico-specific GAF for the MSA in which the hospital is located, and the national portion of the rate (50 percent) is multiplied by the national GAF for the MSA in which the hospital is located (which is computed from national data for all hospitals in the United States and Puerto Rico). In FY 1998, we implemented a 17.78 percent reduction to the Puerto Rico rate as a result of Public Law 105-33.

For FY 2000, before application of the GAF, the special rate for Puerto Rico hospitals was \$174.81. With the changes we proposed to the factors used to determine the rate, the proposed FY 2001 special rate for Puerto Rico was \$185.38. In this final rule, the FY 2001 capital rate for Puerto Rico is \$185.06.

B. Determination of Hospital-Specific Rate Update

Section 412.328(e) of the regulations provides that the hospital-specific rate for FY 2001 be determined by adjusting the FY 2000 hospital-specific rate by the following factors:

1. Hospital-Specific Rate Update Factor

The hospital-specific rate is updated in accordance with the update factor for the standard capital Federal rate determined under § 412.308(c)(1). For FY 2001, we are updating the hospital-specific rate by a factor of 1.0090.

2. Exceptions Payment Adjustment Factor

For FYs 1992 through FY 2001, the updated hospital-specific rate is multiplied by an adjustment factor to

account for estimated exceptions payments for capital-related costs under § 412.348, determined as a proportion of the total amount of payments under the hospital-specific rate and the capital Federal rate. For FY 2001, we estimated in the proposed rule that exceptions payments would be 2.04 percent of aggregate payments based on the capital Federal rate and the hospital-specific rate. Therefore, the proposed exceptions adjustment factor was 0.9796. In this final rule, we estimate that exceptions payments will be 2.15 percent of aggregate payments based on the capital Federal rate and hospital-specific rate. Accordingly, for FY 2001, we are applying an exceptions reduction factor of 0.9785 to the hospital-specific rate. The exceptions reduction factors are not built permanently into the rates; that is, the factors are not applied cumulatively in determining the hospital-specific rate. The net adjustment to the FY 2001 hospital-specific rate is 0.9785/0.9730, or 1.0057.

3. Net Change to Hospital-Specific Rate

We are providing a chart to show the net change to the hospital-specific rate. The chart shows the factors for FY 2000 and FY 2001 and the net adjustment for each factor. It also shows that the cumulative net adjustment from FY 2000 to FY 2001 is 1.0147, which represents an increase of 1.47 percent to the hospital-specific rate. For each hospital, the FY 2001 hospital-specific rate is determined by multiplying the FY 2000 hospital-specific rate by the cumulative net adjustment of 1.0147.

FY 2001 UPDATE AND ADJUSTMENTS TO HOSPITAL-SPECIFIC RATES

	FY 2000	FY 2001	Net adjustment	Percent change
Update Factor	1.0030	1.0090	1.0090	0.90
Exceptions Payment Adjustment Factor	0.9730	0.9785	1.0057	0.57
Cumulative Adjustments	0.9759	0.9903	1.0147	1.47

Note: The update factor for the hospital-specific rate is applied cumulatively in determining the rates. Thus, the incremental increase in the update factor from FY 2000 to FY 2001 is 1.0090. In contrast, the exceptions payment adjustment factor is not applied cumulatively. Thus, for example, the incremental increase in the exceptions reduction factor from FY 2000 to FY 2001 is 0.9785/0.9730, or 1.0057.

C. Calculation of Inpatient Capital-Related Prospective Payments for FY 2001

During the capital prospective payment system transition period, a hospital is paid for the inpatient capital-related costs under one of two payment methodologies—the fully prospective payment methodology or the hold-harmless methodology. The payment methodology applicable to a particular hospital is determined when a hospital comes under the prospective payment system for capital-related costs by comparing its hospital-specific rate to the capital Federal rate applicable to the hospital's first cost reporting period under the prospective payment system. The applicable capital Federal rate was determined by making adjustments as follows:

- For outliers, by dividing the standard capital Federal rate by the outlier reduction factor for that fiscal year; and
- For the payment adjustments applicable to the hospital, by multiplying the hospital's GAF, disproportionate share adjustment factor, and IME adjustment factor, when appropriate.

If the hospital-specific rate is above the applicable capital Federal rate, the hospital is paid under the hold-harmless methodology. If the hospital-specific rate is below the applicable capital Federal rate, the hospital is paid under the fully prospective methodology.

For purposes of calculating payments for each discharge under both the hold-harmless payment methodology and the fully prospective payment methodology, the standard capital Federal rate is adjusted as follows: (Standard Federal Rate) \times (DRG weight) \times (GAF) \times (Large Urban Add-on, if applicable) \times (COLA adjustment for hospitals located in Alaska and Hawaii) \times (1 + Disproportionate Share Adjustment Factor + IME Adjustment Factor, if applicable). The result is the adjusted capital Federal rate.

Payments under the hold-harmless methodology are determined under one of two formulas. A hold-harmless

hospital is paid the higher of the following:

- 100 percent of the adjusted capital Federal rate for each discharge; or
- An old capital payment equal to 85 percent (100 percent for sole community hospitals) of the hospital's allowable Medicare inpatient old capital costs per discharge for the cost reporting period plus a new capital payment based on a percentage of the adjusted capital Federal rate for each discharge. The percentage of the adjusted capital Federal rate equals the ratio of the hospital's allowable Medicare new capital costs to its total Medicare inpatient capital-related costs in the cost reporting period.

Once a hospital receives payment based on 100 percent of the adjusted capital Federal rate in a cost reporting period beginning on or after October 1, 1994 (or the first cost reporting period after obligated capital that is recognized as old capital under § 412.302(c) is put in use for patient care, if later), the hospital continues to receive capital prospective payment system payments on that basis for the remainder of the transition period.

Payment for each discharge under the fully prospective methodology is based on the applicable transition blend percentage of the hospital-specific rate and the adjusted capital Federal rate. Thus, for FY 2001 payments under the fully prospective methodology will be based on 100 percent of the adjusted capital Federal rate and zero percent of the hospital-specific rate.

Hospitals also may receive outlier payments for those cases that qualify under the thresholds established for each fiscal year. Section 412.312(c) provides for a single set of thresholds to identify outlier cases for both inpatient operating and inpatient capital-related payments. Outlier payments are made only on that portion of the capital Federal rate that is used to calculate the hospital's inpatient capital-related payments. For fully prospective hospitals, that portion is 100 percent of the capital Federal rate for discharges occurring in cost reporting periods beginning during FY 2001. Thus, a fully

prospective hospital will receive 100 percent of the capital-related outlier payment calculated for the case for discharges occurring in cost reporting periods beginning in FY 2001. For hold-harmless hospitals that are paid 85 percent of their reasonable costs for old inpatient capital, the portion of the capital Federal rate that is included in the hospital's outlier payments is based on the hospital's ratio of Medicare inpatient costs for new capital to total Medicare inpatient capital costs. For hold-harmless hospitals that are paid 100 percent of the capital Federal rate, 100 percent of the capital Federal rate is included in the hospital's outlier payments.

The outlier thresholds for FY 2001 are in section II.A.4.c. of this Addendum. For FY 2001, a case qualifies as a cost outlier if the cost for the case (after standardization for the indirect teaching adjustment and disproportionate share adjustment) is greater than the prospective payment rate for the DRG plus \$17,550.

During the capital prospective payment system transition period, a hospital also may receive an additional payment under an exceptions process if its total inpatient capital-related payments are less than a minimum percentage of its allowable Medicare inpatient capital-related costs. The minimum payment level is established by class of hospital under § 412.348. The minimum payment levels for portions of cost reporting periods occurring in FY 2001 are:

- Sole community hospitals (located in either an urban or rural area), 90 percent;
- Urban hospitals with at least 100 beds and a disproportionate share patient percentage of at least 20.2 percent or that receive more than 30 percent of their net inpatient care revenues from State or local governments for indigent care, 80 percent; and
- All other hospitals, 70 percent.

Under § 412.348(d), the amount of the exceptions payment is determined by comparing the cumulative payments made to the hospital under the capital prospective payment system to the

cumulative minimum payment levels applicable to the hospital for each cost reporting period subject to that system. Any amount by which the hospital's cumulative payments exceed its cumulative minimum payment is deducted from the additional payment that would otherwise be payable for a cost reporting period. New hospitals are exempted from the capital prospective payment system for their first 2 years of operation and are paid 85 percent of their reasonable costs during that period. A new hospital's old capital costs are its allowable costs for capital assets that were put in use for patient care on or before the later of December 31, 1990, or the last day of the hospital's base year cost reporting period, and are subject to the rules pertaining to old capital and obligated capital as of the applicable date. Effective with the third year of operation, we will pay the hospital under either the fully prospective methodology, using the appropriate transition blend in that Federal fiscal year, or the hold-harmless methodology. If the hold-harmless methodology is applicable, the hold-harmless payment for assets in use during the base period would extend for 8 years, even if the hold-harmless payments extend beyond the normal transition period.

D. Capital Input Price Index

1. Background

Like the operating input price index, the Capital Input Price Index (CIPI) is a fixed-weight price index that measures the price changes associated with costs during a given year. The CIPI differs from the operating input price index in one important aspect—the CIPI reflects the vintage nature of capital, which is the acquisition and use of capital over time. Capital expenses in any given year are determined by the stock of capital in that year (that is, capital that remains on hand from all current and prior capital acquisitions). An index measuring capital price changes needs to reflect this vintage nature of capital. Therefore, the CIPI was developed to capture the vintage nature of capital by using a weighted-average of past capital purchase prices up to and including the current year.

Using Medicare cost reports, American Hospital Association (AHA) data, and Securities Data Company data, a vintage-weighted price index was developed to measure price increases associated with capital expenses. We periodically update the base year for the operating and capital input prices to reflect the changing composition of inputs for operating and capital

expenses. Currently, the CIPI is based to FY 1992 and was last rebased in 1997. The most recent explanation of the CIPI was discussed in the final rule with comment period for FY 1998 published on August 29, 1997 (62 FR 46050).

2. Forecast of the CIPI for Federal Fiscal Year 2001

We are forecasting the CIPI to increase 0.9 percent for FY 2001. This reflects a projected 1.5 percent increase in vintage-weighted depreciation prices (building and fixed equipment, and movable equipment) and a 3.6 percent increase in other capital expense prices in FY 2001, partially offset by a 1.2 percent decline in vintage-weighted interest rates in FY 2001. The weighted average of these three factors produces the 0.9 percent increase for the CIPI as a whole.

V. Changes to Payment Rates for Excluded Hospitals and Hospital Units: Rate-of-Increase Percentages

The inpatient operating costs of hospitals and hospital units excluded from the prospective payment system are subject to rate-of-increase limits established under the authority of section 1886(b) of the Act, which is implemented in regulations at § 413.40. Under these limits, a hospital-specific target amount (expressed in terms of the inpatient operating cost per discharge) is set for each hospital, based on the hospital's own historical cost experience trended forward by the applicable rate-of-increase percentages (update factors). In the case of a psychiatric hospital or hospital unit, a rehabilitation hospital or hospital unit, or a long-term care hospital, the target amount may not exceed the updated figure for the 75th percentile of target amounts adjusted to take into account differences between average wage-related costs in the area of the hospital and the national average of such costs within the same class of hospital for hospitals and units in the same class (psychiatric, rehabilitation, and long-term care) for cost reporting periods ending during FY 1996. The target amount is multiplied by the number of Medicare discharges in a hospital's cost reporting period, yielding the ceiling on aggregate Medicare inpatient operating costs for the cost reporting period.

Each hospital-specific target amount is adjusted annually, at the beginning of each hospital's cost reporting period, by an applicable update factor.

Section 1886(b)(3)(B) of the Act, which is implemented in regulations at § 413.40(c)(3)(vii), provides that for cost reporting periods beginning on or after October 1, 1998 and before October 1,

2002, the update factor for a hospital or unit depends on the hospital's or hospital unit's costs in relation to the ceiling for the most recent cost reporting period for which information is available. For hospitals with costs exceeding the ceiling by 10 percent or more, the update factor is the market basket increase. For hospitals with costs exceeding the ceiling by 10 percent or more, the update factor is the market basket increase. For hospitals with costs exceeding the ceiling by less than 10 percent, the update factor is the market basket minus .25 percent for each percentage point by which costs are less than 10 percent over the ceiling. For hospitals with costs equal to or less than the ceiling but greater than 66.7 percent of the ceiling, the update factor is the greater of 0 percent or the market basket minus 2.5 percent. For hospitals with costs that do not exceed 66.7 percent of the ceiling, the update factor is 0.

The most recent forecast of the market basket increase for FY 2001 for hospitals and hospital units excluded from the prospective payment system is 3.4 percent. Therefore, the update to a hospital's target amount for its cost reporting period beginning in FY 2001 would be between 0.9 and 3.4 percent, or 0 percent, depending on the hospital's or unit's costs in relation to its rate-of-increase limit.

In addition, § 413.40(c)(4)(iii) requires that for cost reporting periods beginning on or after October 1, 1998 and before October 1, 2002, the target amount for each psychiatric hospital or hospital unit, rehabilitation hospital or hospital unit, and long-term care hospital cannot exceed a cap on the target amounts for hospitals in the same class.

Section 121 of Public Law 106–113 amended section 1886(b)(3)(H) of the Act to direct the Secretary to provide for an appropriate wage adjustment to the caps on the target amounts for psychiatric hospitals and units, rehabilitation hospitals and units, and long-term care hospitals, effective for cost reporting periods beginning on or after October 1, 1999, through September 30, 2002. We are publishing an interim final rule with comment period elsewhere in this issue of the **Federal Register** that implements this provision for cost reporting periods beginning on or after October 1, 1999 and before October 1, 2000. This final rule addresses the wage adjustment to the caps for cost reporting periods beginning on or after October 1, 2000.

As discussed in section VI. of the preamble of this final rule, under section 121 of Public Law 106–113, the cap on the target amount per discharge is determined by adding the hospital's

nonlabor-related portion of the national 75th percentile cap to its wage-adjusted, labor-related portion of the national 75th percentile cap (the labor-related portion of costs equals 0.71553 and the nonlabor-related portion of costs equals 0.28447). A hospital's wage-adjusted, labor-related portion of the target amount is calculated by multiplying the labor-related portion of the national 75th percentile cap for the hospital's class by the wage index under the hospital inpatient prospective payment system (see § 412.63), without taking into account reclassifications under sections 1886(d)(10) and (d)(8)(B) of the Act.

For cost reporting periods beginning in FY 2001, in the May 5, 2000 proposed rule, we included the following proposed caps:

Class of excluded hospital or unit	Labor-related share	Nonlabor-related share
Psychiatric	\$8,106	\$3,223
Rehabilitation	15,108	6,007
Long-Term Care	29,312	11,654

We have reconsidered the methodology that was originally used to calculate the labor-related and nonlabor-related portions of the proposed FY 2001 wage neutralized national 75th percentile caps on the target amounts for each class of provider. Using the revised methodology discussed previously in this final rule, we have calculated revised labor-related and nonlabor-related portions of the wage-neutralized 75th percentile caps for FY 2001 for each class of hospital, updated by the market basket percentage increase of 3.4 percent. These revised caps are as follows:

Class of excluded hospital or unit	Labor-related share	Nonlabor-related share
Psychiatric	\$8,131	\$3,233
Rehabilitation	15,164	6,029

Class of excluded hospital or unit	Labor-related share	Nonlabor-related share
Long-Term Care	29,284	11,642

Regulations at § 413.40(d) specify the formulas for determining bonus and relief payments for excluded hospitals and specify established criteria for an additional bonus payment for continuous improvement. Regulations at § 413.40(f)(2)(ii) specify the payment methodology for new hospitals and hospital units (psychiatric, rehabilitation, and long-term care) effective October 1, 1997.

VI. Tables

This section contains the tables referred to throughout the preamble to this final rule and in this Addendum. For purposes of this final rule, and to avoid confusion, we have retained the designations of Tables 1 through 5 that were first used in the September 1, 1983 initial prospective payment final rule (48 FR 39844). Tables 1A, 1C, 1D, 1E (a new table, as described in section II of this Addendum), 3C, 4A, 4B, 4C, 4D, 4E, 4F, 5, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 7A, 7B, 8A, and 8B are presented below. The tables presented below are as follows:

Table 1A—National Adjusted Operating Standardized Amounts, Labor/Nonlabor

Table 1C—Adjusted Operating Standardized Amounts for Puerto Rico, Labor/Nonlabor

Table 1D—Capital Standard Federal Payment Rate

Table 1E—National Adjusted Operating Standardized Amounts for Sole Community Hospitals (SCH), Labor/Nonlabor

Table 3C—Hospital Case Mix Indexes for Discharges Occurring in Federal Fiscal Year 1999 and Hospital Average Hourly Wage for Federal Fiscal Year 2001 Wage Index

Table 4A—Wage Index and Capital Geographic Adjustment Factor (GAF) for Urban Areas

Table 4B—Wage Index and Capital Geographic Adjustment Factor (GAF) for Rural Areas

Table 4C—Wage Index and Capital Geographic Adjustment Factor (GAF) for Hospitals That Are Reclassified

Table 4D—Average Hourly Wage for Urban Areas

Table 4E—Average Hourly Wage for Rural Areas

Table 4F—Puerto Rico Wage Index and Capital Geographic Adjustment Factor (GAF)

Table 5—List of Diagnosis Related Groups (DRGs), Relative Weighting Factors, Geometric Mean Length of Stay, and Arithmetic Mean Length of Stay Points Used in the Prospective Payment System

Table 6A—New Diagnosis Codes

Table 6B—New Procedure Codes

Table 6C—Invalid Diagnosis Codes

Table 6D—Revised Diagnosis Code Titles

Table 6E—Revised Procedure Codes

Table 6F—Additions to the CC Exclusions List

Table 6G—Deletions to the CC Exclusions List

Table 7A—Medicare Prospective Payment System Selected Percentile Lengths of Stay FY 99 MedPAR Update March 2000 GROUPE V18.0

Table 7B—Medicare Prospective Payment System Selected Percentile Lengths of Stay FY 99 MedPAR Update March 2000 GROUPE V18.0

Table 8A—Statewide Average Operating Cost-to-Charge Ratios for Urban and Rural Hospitals (Case Weighted) March 2000

Table 8B—Statewide Average Capital Cost-to-Charge Ratios (Case Weighted) March 2000

TABLE 1A.—NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS, LABOR/NONLABOR

Large urban areas		Other areas	
Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
\$2,864.19	\$1,164.21	\$2,818.85	\$1,145.78

TABLE 1C.—ADJUSTED OPERATING STANDARDIZED AMOUNTS FOR PUERTO RICO, LABOR/NONLABOR

	Large urban areas		Other areas	
	Labor	Nonlabor	Labor	Nonlabor
National	\$2,839.54	\$1,154.19	\$2,839.54	\$1,154.19
Puerto Rico	\$1,374.71	\$553.36	\$1,352.95	\$544.60

TABLE 1D.—CAPITAL STANDARD FEDERAL PAYMENT RATE

	Rate
National	\$382.03
Puerto Rico	\$185.06

TABLE 1E.—NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS FOR SOLE COMMUNITY HOSPITALS, LABOR/
NONLABOR

Large urban areas		Other areas	
Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
\$2,894.99	\$1,176.73	\$2,849.16	\$1,158.10

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TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

PROV.	CASE MIX INDEX	CASE AVG.			PROV.	CASE MIX INDEX	CASE AVG.			PROV.	CASE MIX INDEX	CASE AVG.			PROV.	CASE MIX INDEX	CASE AVG.			PROV.	CASE MIX INDEX	CASE AVG.		
		HOURLY WAGE	HOUR.	WAGE			HOURLY WAGE	HOUR.	WAGE			HOURLY WAGE	HOUR.	WAGE			HOURLY WAGE	HOUR.	WAGE			HOURLY WAGE	HOUR.	WAGE
010001	1.4294	16.41	1.1479	0.8633	010115	0.8633	14.63	020013	1.0626	030043	1.2567	20.93	040001	1.1095	15.16									
010004	1.0044	17.97	1.4580	1.2295	010118	1.2295	18.85	020014	1.1928	030044	0.9256	16.86	040002	1.0910	13.06									
010005	1.2569	17.60	1.3402	0.7792	010119	0.7792	18.80	020017	1.6747	030047	0.8534	22.64	040003	1.0688	14.21									
010006	1.4036	16.75	0.9556	0.9619	010120	0.9619	17.23	020018	0.9095	030049	0.8945	19.09	040004	1.6075	17.85									
010007	1.1138	15.48	1.0872	1.2258	010121	1.2258	14.64	020019	0.8528	030049	0.8303	15.33	040005	0.9870	13.26									
010008	1.0833	14.74	0.9061	1.2688	010123	1.2688	16.73	020021	0.8366	030055	1.2371	16.36	040007	1.6827	21.96									
010009	1.0663	18.77	1.1102	1.1102	010124	1.1102	16.28	020024	1.0571	030059	1.3346	24.05	040008	1.0105	15.30									
010010	1.0868	16.45	1.8188	1.0258	010125	1.0258	15.53	020025	0.8739	030060	1.1241	19.25	040010	1.2829	18.60									
010011	1.6155	20.80	1.2899	1.0990	010126	1.0990	19.57	020026	1.4433	030061	1.6750	18.91	040011	0.9480	14.53									
010012	1.3038	17.72	0.8564	1.543	010127	1.543	19.52	020027	0.9692	030062	1.1595	17.67	040014	1.4158	17.63									
010015	0.9899	15.45	1.2573	0.9027	010128	0.9027	14.51	030001	1.3864	030064	1.7338	19.57	040015	1.1465	16.59									
010016	1.2613	17.25	1.1544	1.0725	010129	1.0725	14.73	030002	1.8284	030065	1.7680	20.51	040016	1.6681	19.03									
010018	1.0518	17.64	1.1121	1.495	010130	1.495	16.68	030003	2.2227	030067	1.1041	14.44	040017	1.1712	13.51									
010019	1.1661	16.35	0.9005	1.2711	010131	1.2711	17.83	030004	0.8926	030068	1.0055	17.36	040018	1.1358	17.60									
010021	1.1942	16.29	1.2718	1.792	010134	1.792	18.88	030006	1.5668	030069	1.3563	19.10	040019	1.0803	22.68									
010022	1.0136	18.59	1.2274	1.644	010137	1.644	12.12	030008	2.0837	030071	0.8901	20.51	040020	1.5880	16.48									
010023	1.7322	16.10	1.3837	0.9612	010138	0.9612	12.87	030009	1.4233	030072	0.9288	22.28	040021	1.2285	17.64									
010024	1.3776	16.29	1.1292	1.5811	010139	1.5811	19.00	030010	1.3808	030073	1.0190	20.51	040022	1.4527	17.04									
010025	1.2879	15.14	1.4692	1.1566	010143	1.1566	16.79	030012	1.3889	030074	0.9265	20.51	040024	1.0608	14.45									
010027	0.8259	11.79	1.3063	1.4241	010144	1.4241	17.13	030016	1.3889	030075	0.8143	20.51	040025	0.8685	11.51									
010029	1.5761	17.65	1.0461	1.2522	010145	1.2522	20.84	030017	1.4749	030076	0.8824	20.51	040026	1.6029	19.56									
010031	1.3658	18.78	1.7486	1.2928	010146	1.2928	18.32	030018	1.2636	030077	0.8316	20.51	040027	1.3958	16.10									
010032	0.8643	12.60	1.2784	0.9675	010148	0.9675	12.22	030019	1.3250	030078	1.1550	20.51	040028	0.9947	14.66									
010033	2.0381	20.39	1.6552	1.2051	010149	1.2051	18.63	030022	1.4830	030079	0.8532	20.51	040029	1.2717	17.88									
010034	1.0742	15.10	0.9348	1.3255	010150	1.3255	17.83	030023	1.4981	030080	1.3831	20.51	040030	0.9476	13.54									
010035	1.2514	20.19	1.3958	1.3255	010152	1.3255	17.83	030024	1.4830	030083	1.2596	23.33	040032	0.9430	13.70									
010036	1.0591	17.81	0.9431	1.0695	010155	1.0695	9.03	030025	1.4981	030084	1.1368	20.51	040035	0.9187	12.83									
010037	0.8778	18.27	0.8641	1.2005	010157	1.2005	17.32	030026	1.4830	030085	1.4857	21.10	040036	1.3651	18.98									
010038	1.2054	18.27	0.9271	1.0338	010158	1.0338	17.32	030027	1.4981	030086	3.7429	19.54	040037	1.0856	14.66									
010039	1.6113	20.10	1.1321	1.1094	010159	1.1094	28.17	030028	1.4981	030087	1.5530	21.41	040039	1.2261	14.36									
010040	1.4462	18.94	1.2972	0.9967	020001	0.9967	24.58	030029	0.9397	030088	1.3540	19.87	040040	0.9444	18.09									
010043	1.0031	30.75	1.1227	1.539	020002	1.539	24.58	030030	0.9273	030089	1.5975	20.40	040041	1.2162	15.99									
010044	0.9814	22.01	0.9069	1.379	020004	1.379	30.57	030033	1.2115	030092	1.5944	20.70	040042	1.2969	15.21									
010045	1.1919	15.22	1.8406	0.8735	020005	0.8735	30.29	030034	1.2115	030093	1.3235	19.73	040044	1.0466	12.63									
010046	1.5067	17.40	1.7091	1.1421	020006	1.1421	31.24	030036	0.9490	030094	1.2428	21.62	040047	0.9487	14.94									
010047	0.9424	13.35	1.1575	0.9291	020007	0.9291	27.83	030037	1.2644	030095	0.9887	13.73	040048	1.0251	16.87									
010049	1.1840	14.76	1.0109	1.0211	020008	1.0211	29.41	030038	1.2445	030099	0.9037	16.15	040050	1.1711	13.38									
010050	1.0828	18.52	0.8856	0.8178	020009	0.8178	20.19	030039	2.0155	030100	1.9339	20.76	040051	1.0437	15.86									
010051	0.9004	11.93	1.0448	0.9185	020010	0.9185	23.67	030040	1.5744	030101	1.5314	22.83	040053	1.0340	16.36									
010052	1.0027	16.55	1.6456	0.9448	020011	0.9448	30.47	030041	1.0672	030102	2.5448	18.55	040054	1.0177	15.32									
010053	1.0167	14.63	1.3073	1.2715	020012	1.2715	24.85	030041	0.8921	030103	1.7199	15.89	040055	1.4755	17.13									

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE	
		WAGE	INDEX			WAGE	INDEX			WAGE	INDEX			WAGE	INDEX
050334	1.7198	34.23	050411	1.3458	34.69	050488	1.3456	050567	1.5230	24.65	050641	1.1922	050721	1.3599	.
050335	1.3886	23.03	050414	1.2179	24.21	050491	1.1165	050568	1.2191	19.58	050643	0.8109	050722	1.1328	.
050336	1.3169	20.80	050417	1.2667	21.57	050492	1.4208	050569	1.2232	26.55	050644	1.0478	050723	1.1458	.
050337	1.3409	.	050419	1.4165	23.76	050494	1.2598	050570	1.5734	25.23	050660	1.3997	060001	1.6560	21.37
050342	1.2313	20.18	050420	1.2831	22.32	050496	1.6617	050571	1.3916	26.20	050661	.	060003	1.2450	19.80
050343	.	17.21	050423	1.1073	17.38	050497	0.8090	050573	1.5666	24.96	050662	0.7859	060004	1.2401	22.88
050345	0.8081	.	050424	1.8980	22.83	050498	1.2005	050575	1.0859	19.56	050663	1.0941	060006	1.1951	19.37
050348	1.7914	23.88	050425	1.2440	32.84	050502	1.7572	050577	1.3879	25.15	050667	0.9522	060007	1.1130	17.47
050349	0.8947	14.98	050426	1.4508	25.25	050503	1.3610	050578	1.3279	28.54	050668	1.0325	060008	1.0579	18.03
050350	1.4096	24.83	050427	0.9257	20.17	050506	1.3777	050579	1.3278	30.50	050670	0.7818	060009	1.5799	21.43
050351	1.4609	25.48	050430	0.9725	23.88	050510	1.1920	050580	1.2430	25.90	050674	1.2420	060010	1.6140	24.09
050352	1.3561	26.14	050432	1.5786	24.41	050512	1.3583	050581	1.4104	23.86	050675	.	060011	1.3550	23.44
050353	1.5602	23.06	050433	0.9702	17.46	050515	1.3774	050583	1.5678	24.40	050676	0.9591	060012	1.4000	20.14
050355	0.8485	17.28	050434	1.0486	19.76	050516	1.4947	050584	1.1273	21.24	050677	1.3476	060013	1.3094	22.73
050357	1.3846	22.65	050435	1.2440	25.67	050517	1.1886	050585	1.2592	25.94	050678	1.3309	060014	1.8352	24.25
050359	1.2332	17.79	050436	.	14.81	050522	1.1534	050586	1.2201	23.41	050680	1.2222	060015	1.6041	20.98
050360	1.3892	31.35	050438	1.7078	25.01	050523	1.2559	050588	1.3013	25.31	050682	0.9010	060016	1.1378	16.47
050366	1.2340	23.75	050440	1.2220	23.52	050526	1.2343	050589	1.1422	24.87	050684	1.2852	060018	1.2594	20.32
050367	1.2258	28.28	050441	1.9615	28.98	050528	1.1739	050590	1.3405	22.45	050685	1.2151	060020	1.8894	18.31
050369	1.3189	27.05	050443	0.7668	19.90	050531	1.1214	050591	1.2591	23.94	050686	1.2407	060022	1.5342	21.06
050373	1.3743	26.98	050444	1.3195	21.45	050534	1.2615	050592	1.2571	21.17	050688	1.1255	060023	1.6370	19.24
050376	1.3548	26.58	050446	0.8710	20.49	050535	1.2205	050594	1.7225	27.16	050689	1.5021	060024	1.6918	22.00
050377	0.9251	17.18	050447	1.0025	17.98	050537	1.2810	050597	1.2900	22.85	050690	1.3154	060027	1.6340	20.98
050378	1.1111	25.98	050448	1.0661	19.70	050539	1.2979	050599	1.5667	29.12	050693	1.2207	060028	1.3273	23.21
050379	0.9751	15.20	050449	1.4294	23.80	050541	1.5699	050599	1.5667	29.12	050694	1.3346	060029	0.8712	20.86
050380	1.6344	31.43	050454	1.7542	28.74	050542	1.0181	050601	1.4829	31.87	050695	1.1816	060030	1.3093	20.50
050382	1.3423	26.14	050455	1.9538	20.16	050543	0.8627	050603	1.3656	23.34	050696	2.0732	060031	1.4973	21.16
050385	1.4093	24.61	050456	1.1464	20.13	050545	0.7893	050604	1.4342	34.05	050697	1.1678	060032	1.4822	23.42
050388	0.8344	19.15	050457	1.6183	34.49	050546	0.6812	050608	1.2769	18.09	050699	0.5929	060033	1.0878	15.91
050390	1.1918	25.04	050464	1.7414	25.33	050547	0.8107	050609	1.5764	34.99	050701	1.2955	060034	1.5449	22.48
050391	1.2245	18.93	050468	1.5228	23.31	050548	.	050613	1.0324	23.38	050704	1.0434	060036	1.1014	15.07
050392	0.9498	21.67	050469	1.0325	23.88	050549	1.6573	050615	1.4533	23.88	050707	1.0699	060037	0.9899	15.56
050393	1.4701	25.70	050470	1.0920	16.03	050550	1.3328	050616	1.3937	22.74	050708	1.4627	060038	0.8834	14.08
050394	1.5619	23.06	050471	1.6664	25.62	050551	1.3151	050618	0.9967	21.65	050709	1.2556	060041	0.8407	14.89
050396	1.6587	24.06	050476	1.3078	22.48	050552	1.1745	050624	1.3428	29.18	050710	1.3017	060042	0.9939	19.19
050397	0.8335	20.26	050477	1.4897	27.96	050557	1.4951	050624	1.3036	22.71	050713	0.8043	060043	0.8817	13.67
050401	0.9837	20.75	050478	0.9807	24.54	050559	1.3270	050625	1.6121	26.48	050714	1.2848	060044	1.3096	19.70
050404	1.0584	17.34	050481	1.4495	28.97	050561	1.1801	050630	1.1951	23.92	050717	1.3723	060046	1.0232	19.46
050406	1.0485	17.30	050482	0.9444	18.12	050564	1.5745	050633	1.3377	23.19	050718	0.8128	060047	1.0220	15.88
050407	1.2790	29.96	050483	.	22.72	050565	.	050636	1.3786	21.26	050719	2.5629	060049	1.3733	21.78
050410	0.9752	17.68	050485	1.5735	24.20	050566	0.9370	050638	1.2157	18.28	050720	0.8820	060050	1.2397	18.22

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

CASE MIX INDEX	CASE AVG. HOUR. WAGE			CASE MIX INDEX	CASE AVG. HOUR. WAGE			CASE MIX INDEX	CASE AVG. HOUR. WAGE			CASE MIX INDEX	CASE AVG. HOUR. WAGE				
	PROV.	AVG. HOUR. WAGE	PROV.		PROV.	AVG. HOUR. WAGE	PROV.		PROV.	AVG. HOUR. WAGE	PROV.		PROV.	AVG. HOUR. WAGE			
130045	0.9558	16.10	140042	0.9892	15.41	140095	1.3673	24.05	140148	1.8761	18.66	140207	1.2684	21.98	150001	1.0961	22.81
130048	1.0584	16.09	140043	1.1605	19.47	140097	0.9299	17.51	140150	1.5468	27.34	140208	1.7009	25.99	150002	1.4810	19.34
130049	1.2597	20.31	140045	1.0042	15.58	140100	1.3439	21.36	140151	0.9279	21.39	140209	1.5933	18.12	150003	1.8126	19.77
130054	1.0083	17.27	140046	1.2980	18.98	140101	1.1732	21.55	140152	1.1995	24.63	140210	1.1292	15.69	150004	1.5384	20.37
130056	0.8268	14.69	140047	1.1728	17.15	140102	1.0753	17.15	140155	1.3323	19.97	140211	1.2324	21.89	150005	1.1302	20.63
130060	1.3119	21.87	140048	1.3586	24.09	140103	1.3665	19.28	140158	1.3329	22.76	140213	1.2798	27.06	150006	1.2667	20.82
130061		15.40	140049	1.6823	28.50	140105	1.2652	22.66	140160	1.1491	17.77	140215	0.9827	15.99	150007	1.1797	20.18
130062	0.7754	16.57	140051	1.4544	23.83	140107	0.9370	13.75	140161	1.1381	20.09	140217	1.3142	24.82	150008	1.3764	21.45
130063	1.6666	15.94	140052	1.2827	19.64	140108	1.3348	25.47	140162	1.8143	19.65	140218	0.9762	14.95	150009	1.3792	18.71
140001	1.2176	16.34	140053	2.0553	19.19	140109	1.1477	15.75	140164	1.4391	18.78	140220	1.1358	17.64	150010	1.3460	21.71
140002	1.2407	19.02	140054	1.3693	22.19	140110	1.1879	19.18	140165	1.1132	14.92	140223	1.5180	24.92	150011	1.1586	18.37
140003	1.0106	21.29	140055	0.9934	16.34	140112	1.0909	17.69	140166	1.1649	17.55	140224	1.4016	25.87	150012	1.5933	22.48
140004	1.1044	15.70	140058	1.3067	17.49	140113	1.5040	19.06	140167	1.1024	17.15	140228	1.6645	19.70	150013	1.0477	17.03
140005	0.9925	11.61	140059	1.1068	15.02	140114	1.3187	21.16	140168	1.2012	16.68	140230	0.9202	18.09	150014	1.5409	22.01
140007	1.4589	22.98	140061	1.1025	17.30	140115	1.3042	21.19*	140170	1.1349	16.16	140231	1.5297	23.92	150015	1.2952	22.54
140008	1.4727	21.65	140062	1.2475	28.09	140116	1.2352	23.12	140171	0.9900	14.16	140233	1.7458	19.45	150017	1.8570	18.77
140010	1.3751	31.82	140063	1.4962	25.36	140117	1.5556	21.57	140172	1.7225	23.84	140234	1.2127	18.99	150018	1.4858	20.49
140011	1.1654	17.87	140064	1.2598	19.10	140118	1.7413	23.60	140173	0.9333	15.15	140239	1.6490	18.81	150019	1.1102	16.63
140012	1.2798	23.07	140065	1.4177	24.11	140119	1.7501	29.14	140174	1.5586	20.53	140240	1.3562	23.69	150020	1.0755	15.11
140013	1.5935	18.31	140066	1.1873	17.39	140120	1.3462	18.07	140176	1.2136	23.29	140242	1.6241	24.54	150021	1.6509	19.51
140014	1.1508	22.47	140067	1.7590	19.33	140121	1.3415	16.04	140177	1.3038	18.26	140245	1.1878	13.48	150022	1.1219	19.16
140015	1.2388	16.67	140068	1.4582	19.97	140122	1.5465	24.65	140179	1.3325	21.19	140246	1.0433	13.46	150023	1.5928	18.36
140016	1.0061	13.13	140069	0.9782	16.75	140124	1.1188	27.19	140180	1.4284	22.45	140250	1.2950	25.09	150024	1.3982	18.41
140018	1.3458	22.31	140070	1.1803	22.97	140125	1.3218	17.67	140181	1.4221	20.87	140251	1.3473	21.44	150025	1.4278	17.70
140019	1.0159	16.65	140074	0.9349	19.35	140127	1.4174	19.90	140182	1.3514	22.02	140252	1.4884	25.22	150026	1.2234	18.84
140024	0.9843	16.83	140075	1.2766	21.63	140128	1.0088	19.50	140184	1.1880	17.82	140253	1.1842	18.55	150027	1.0123	17.33
140025	1.0506	16.95	140077	1.0565	17.53	140129	1.1841	18.26	140185	1.4704	17.65	140258	1.5250	23.30	150029	1.3648	23.05
140026	1.1496	16.66	140079	1.1955	23.30	140130	1.1970	22.23	140186	1.3232	22.79	140271	0.9410	15.51	150030	1.2737	18.00
140027	1.2099	18.76	140080	1.4832	21.07	140132	1.4751	23.55	140187	1.6400	17.92	140275	1.2790	20.17	150031	1.0525	17.24
140029	1.3319	22.83	140081	1.0317	16.22	140133	1.3795	21.41	140188	0.9867	15.25	140276	2.0067	26.68	150033	1.5657	21.88
140030	1.8591	21.95	140082	1.3053	23.90	140135	1.2675	17.81	140189	1.2371	21.06	140280	1.4485	20.24	150034	1.4343	22.13
140031	1.1639	19.57	140083	1.3361	19.31	140137	1.0600	16.90	140190	1.0808	16.34	140281	1.6244	24.02	150035	1.4773	20.45
140032	1.2551	18.10	140084	1.2566	20.97	140138	0.9876	16.74	140191	1.3873	25.88	140285	1.2593	18.12	150036	1.0051	20.87
140033	1.2941	24.17	140086	1.0731	18.38	140139	1.0648	14.06	140193	0.9673	15.80	140286	1.1206	20.37	150037	1.2338	21.71
140034	1.2080	19.53	140087	1.3565	16.10	140140	1.1269	17.82	140197	1.2470	18.64	140288	1.6195	25.23	150038	1.1488	21.22
140035	1.0676	15.26	140088	1.7648	25.24	140141	1.2248	17.52	140199	1.2736	18.35	140289	1.3216	17.14	150039	0.9673	18.47
140036	1.2542	18.58	140089	1.2772	17.64	140143	1.0801	19.19	140200	1.5266	21.52	140290	1.3080	21.18	150042	1.2980	18.16
140037	1.0619	13.08	140090	1.4463	26.43	140144	0.9808	21.32	140202	1.3146	22.19	140291	1.3217	25.09	150043	1.1311	19.01
140038	1.0620	18.30	140091	1.8707	20.90	140145	1.1293	17.55	140203	1.1787	19.92	140292	1.2018	20.86	150044	1.2395	18.44
140040	1.1966	19.93	140093	1.1361	18.29	140146	1.0397	21.96	140205	1.5345	17.48	140294	1.1339	17.72	150045	1.1091	16.81
140041	1.1937	17.66	140094	1.2552	21.47	140147	1.2073	16.13	140206	1.2274	21.33	140300	1.5055	25.37	150046	1.4223	17.63

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE
150047	1.5548	19.74	150097	1.0606	19.38	160016	1.1890	19.63	160065	1.0386	16.94	160113	1.0604	14.71
150048	1.1828	19.33	150098	1.1351	15.09	160018	0.9389	14.59	160066	1.0699	17.19	160114	0.9688	16.14
150049	1.1915	17.01	150099		22.42	160020	1.1347	15.47	160067	1.4189	17.85	160115	0.9815	15.90
150050	1.0891	16.83	150100	1.5717	18.41	160021	0.9996	16.50	160068	1.0723	17.99	160116	1.0506	16.95
150051	1.4769	19.01	150101	1.0455	16.46	160023	1.0324	15.07	160069	1.5072	19.73	160117	1.3356	17.94
150052	1.0296	15.86	150102	1.0869	19.74	160024	1.5676	19.71	160070	0.9286	16.70	160118	1.0368	17.25
150053	0.9666	19.14	150103	1.0079	18.48	160026	0.9794	18.84	160072	1.0484	14.95	160120	0.9606	10.60
150054	1.2297	17.38	150104	1.0488	17.70	160027	1.0597	16.35	160073	0.9892	11.83	160122	1.0888	18.92
150055	1.8704	22.41	150105	1.2888	20.04	160028	1.2276	19.96	160074	0.9931	19.51	160124	1.2749	18.09
150057	2.1498	16.59	150106	0.9758	16.15	160029	1.5419	20.47	160075	1.1054	19.49	160126	1.0585	17.81
150058	1.7018	20.82	150109	1.4431	18.81	160030	1.3367	19.95	160076	1.0723	17.94	160129	0.9310	16.71
150059	1.4196	21.25	150110	0.9738	18.66	160031	1.0458	15.24	160077	1.1064	12.88	160130	1.0192	16.05
150060	1.1497	17.07	150111	1.1113	18.46	160032	1.1095	17.32	160079	1.4272	17.62	160131	1.0654	15.49
150061	1.2136	17.39	150112	1.2498	20.41	160033	1.8678	18.87	160080	1.1627	18.67	160134	0.9949	13.47
150062	1.0069	20.54	150113	1.2243	20.38	160034	1.1092	15.00	160081	1.1175	17.01	160135	0.9409	18.27
150063	1.0264	22.09	150114	0.9415	19.52	160035	0.8430	15.22	160082	1.8732	19.65	160138	1.0465	16.87
150064	1.1320	18.14	150115	1.2734	17.43	160036	0.9888	17.88	160083	1.6823	20.62	160140	1.1049	18.40
150065	1.1819	19.89	150122	1.1132	18.71	160037	1.0334	19.05	160085	1.0408	18.01	160142	0.9676	16.29
150066	0.9694	15.34	150123	1.0230	14.11	160039	1.0217	17.48	160086	0.9072	17.33	160143	1.1451	16.62
150067	1.1307	18.29	150124	1.1623	14.62	160040	1.3529	18.19	160088	1.1114	20.23	160145	1.0588	13.92
150069	1.1721	21.53	150125	1.4695	20.67	160041	1.0096	16.78	160089	1.2300	16.95	160146	1.4364	16.60
150070	0.9399	17.93	150126	1.4199	21.37	160043	1.0505	15.69	160090	1.0131	17.11	160147	1.2868	17.49
150071	1.1041	13.48	150127	1.0338	17.20	160044	1.2178	16.74	160091	0.9832	12.85	160151	0.9959	16.83
150072	1.1923	16.21	150128	1.2621	18.51	160045	1.7238	20.12	160092	1.0498	15.62	160152	1.0281	15.62
150073	1.0447	22.30	150129	1.1517	24.77	160046	0.9295	14.57	160093	1.0756	17.75	160153	1.7619	20.23
150074	1.6432	20.42	150130	1.3279	18.20	160047	1.4784	18.36	160094	1.1674	18.76	160155	1.1900	17.93
150075	1.1646	15.56	150132	1.2310	17.40	160049	0.9902	14.55	160095	1.0535	15.19	160157	1.2265	17.22
150076	1.1130	22.94	150133	1.4207	20.17	160048	1.1572	14.61	160096	1.1304	15.93	160159	1.1611	20.78
150077	1.0269	19.27	150134	1.0717	19.25	160050	1.0344	17.49	160098	0.9348	16.31	160161	0.9945	14.91
150079	1.2034	17.24	150136	0.8719	20.12	160051	1.0516	14.64	160099	0.9639	13.91	160163	1.7009	20.78
150082	1.3227	17.53	150145		16.69	160052	0.9904	18.09	160101	1.1048	18.37	160166	1.4492	17.87
150084	1.9364	23.25	160001	1.2868	18.60	160054	1.0994	16.17	160102	1.3544	18.88	160168	1.1611	20.78
150086	1.2075	18.97	160002	1.0984	15.95	160055	0.9237	14.76	160103	0.9399	17.10	160170	1.4696	18.65
150088	1.3248	18.99	160003	1.0300	16.09	160056	1.1034	16.16	160104	1.1675	16.96	160171	1.0168	17.93
150089	1.5038	23.88	160005	1.1423	17.62	160057	1.2725	18.18	160106	1.1340	16.30	160173	0.9421	16.58
150090	1.4078	20.77	160007	1.0002	13.21	160058	1.8148	21.12	160107	1.1110	18.06	160175	1.6697	19.21
150091	1.0239	20.41	160008	1.1119	15.97	160060	1.0746	16.04	160108	1.0645	16.05	160177	1.1933	17.80
150092	1.0634	16.74	160009	1.1960	16.84	160061	1.0821	17.32	160109	1.1920	16.56	160179	1.1933	15.30
150094	1.0040	16.58	160012	0.9906	16.48	160062	0.9842	17.81	160110	1.5320	19.14	160181	1.2540	15.21
150095	1.0586	17.13	160013	1.2031	18.40	160063	1.0218	16.88	160111	1.0094	14.16	160183	1.4588	17.34
150096	0.9851	23.28	160014	1.0396	15.91	160064	1.5638	20.55	160112	1.3682	16.83	160185	1.1249	18.53

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

PROV.	CASE AVG.			PROV.	CASE AVG.			PROV.	CASE AVG.			PROV.	CASE AVG.					
	MIX	INDEX	HOUR. WAGE		MIX	INDEX	HOUR. WAGE		MIX	INDEX	HOUR. WAGE		MIX	INDEX	HOUR. WAGE			
170081	0.9179	13.81	15.65	170143	1.0808	15.65	180026	1.1066	14.68	180080	1.0590	16.50	190002	1.7040	19.19	190077	0.9399	15.78
170082	0.9560	12.86	17.044	170144	1.4747	19.09	180027	1.2062	16.41	180087	1.2432	14.92	190003	1.4197	19.77	190078	1.1615	14.88
170084	0.8997	12.54	170145	1.0637	17.18	180028	1.0852	19.53	180088	1.6618	22.04	190004	1.4585	17.77	190079	1.2231	17.71	
170085	0.8789	15.45	170146	1.4371	20.91	180029	1.2353	17.77	180092	1.2189	18.24	190005	1.4428	17.24*	190081	0.8911	15.32	
170086	1.6269	20.41	170147	1.1919	22.30	180030	1.1131	17.34	180093	1.5273	17.01	190006	1.2536	17.80	190083	0.9794	18.89	
170088	0.9383	13.45	170148	1.2974	16.92	180031	1.0049	13.98	180094	0.9848	13.55	190007	1.0847	13.82	190086	1.3591	15.87	
170089	0.8581	18.81	170150	1.1401	15.57	180032	1.0497	16.83	180095	1.0815	13.80	190008	1.5972	18.67	190088	1.1887	20.55	
170090	1.0305	11.91	170151	1.0251	13.89	180033	1.0826	17.73	180099	1.0812	13.36	190009	1.2292	15.36	190089	1.1187	13.05	
170093	0.9152	13.55	170152	0.9663	14.91	180034	1.0225	15.34	180101	1.0980	18.49	190010	1.0652	16.28	190090	1.1149	16.67	
170094	0.9430	20.20	170160	0.9394	13.71	180035	1.5443	20.13	180102	1.5077	17.96	190011	1.1242	15.95	190095	1.0279	16.23	
170095	1.0081	15.55	170164	0.9528	16.65	180036	1.1682	19.84	180103	2.2745	19.90	190013	1.2743	16.82	190098	1.7314	20.49	
170097	0.9135	16.46	170166	1.0411	27.56	180037	1.2564	19.97	180104	1.5793	18.93	190014	1.1194	17.10	190099	1.2034	19.90	
170098	1.1140	15.53	170171	1.0039	12.52	180038	1.4857	17.76	180105	0.8848	15.24	190015	1.2875	18.63	190102	1.6385	20.03	
170099	1.2219	13.60	170175	1.3130	19.02	180040	1.9528	19.53	180106	0.8749	14.35	190017	1.3202	16.24	190103	0.9168	12.14	
170101	0.8928	14.56	170176	1.5629	21.34	180041	1.1640	15.08	180108	0.8427	14.82	190018	1.1770	15.07	190106	1.1523	18.58	
170102	1.0037	13.63	170180	1.669	16.69	180042	1.1421	16.77	180115	1.0497	16.77	190019	1.7402	18.53	190109	1.1535	15.58	
170103	1.3029	17.28	170182	1.4962	22.22	180043	1.1411	16.80	180116	1.2349	18.04	190020	1.1662	17.53	190110	0.9774	15.81	
170104	1.4777	20.62	170183	1.9768	20.35	180044	1.2021	18.36	180117	1.0923	17.78	190025	1.2825	18.64	190111	1.5897	19.75	
170105	1.1432	16.54	170185	1.0622	.	180045	1.2788	17.71	180118	0.9296	15.86	190026	1.5256	18.16	190112	1.5528	21.02	
170106	0.9683	18.55	170186	2.9004	.	180046	1.0399	19.25	180120	0.9686	16.16	190027	1.4896	17.08	190113	1.3703	12.58	
170109	0.9114	17.26	180001	1.3208	17.99	180047	1.0459	16.23	180121	1.1356	15.10	190029	1.1610	16.52	190114	1.0231	12.64	
170110	0.9676	16.98	180002	1.0414	17.97	180048	1.2349	18.34	180122	1.1054	18.51	190034	1.1765	16.85	190115	1.2486	20.25	
170112	1.1397	14.39	180004	1.0481	17.26	180049	1.3091	16.43	180123	1.3656	21.06	190036	1.6931	20.18	190116	1.2116	15.55	
170113	1.1135	13.90	180005	1.2239	21.14	180050	1.2654	17.85	180124	1.2800	17.50	190037	0.9934	17.69	190118	0.9765	14.79	
170114	0.9553	14.45	180006	0.9725	11.44	180051	1.4163	16.40	180125	1.0652	19.64	190039	1.3993	19.47	190120	1.0772	13.96	
170115	0.9614	12.70	180007	1.4014	17.68	180053	1.0510	15.93	180126	1.0659	12.92	190040	1.3542	21.46	190122	1.2334	15.48*	
170116	1.0957	16.87	180009	1.3469	21.47	180054	1.1113	19.49	180127	1.2659	19.26	190041	1.5887	17.66	190124	1.6143	20.62	
170117	0.8910	15.79	180010	1.9348	19.11	180055	1.2882	15.27	180128	1.0381	17.64	190043	1.0177	15.56	190125	1.4908	20.45	
170119	0.9504	15.20	180011	1.3322	17.10	180056	1.1845	17.01	180129	0.9553	16.84	190044	1.1755	17.29	190128	1.1552	20.47	
170120	1.2820	17.67	180012	1.3882	18.72	180058	0.9969	15.97	180130	1.4281	19.82	190045	1.5147	21.61	190130	0.9796	15.15	
170122	1.7033	20.06	180013	1.4630	18.24	180059	0.8712	13.40	180132	1.2192	17.77	190046	1.4143	19.80	190131	1.2652	20.76	
170123	1.7172	23.17	180014	1.6410	21.49	180063	1.1133	13.10	180133	1.3321	21.68	190048	1.1254	16.67	190133	0.9962	13.54	
170124	1.0038	11.12	180016	1.2498	19.89	180064	1.2154	15.24	180134	1.0956	13.19	190049	0.9682	17.23	190134	.	12.17	
170126	0.9277	12.81	180017	1.2719	15.41	180065	1.0311	12.06	180136	.	17.35	190050	1.0587	16.20	190135	1.4466	21.69	
170128	0.9646	14.89	180018	1.2845	17.17	180066	1.0038	19.30	180138	1.1655	19.37	190053	1.1151	13.22	190136	0.9819	12.41	
170131	.	10.10	180019	1.1635	17.40	180067	1.9337	20.63	180139	1.0331	18.72	190054	1.3637	19.17	190140	0.9581	14.23	
170133	1.0846	18.02	180020	1.0889	17.73	180069	1.1159	17.79	180140	0.9801	16.82	190059	0.9281	15.69	190142	0.9509	15.49	
170134	0.8935	14.11	180021	1.0602	15.46	180070	1.1350	13.19	180141	1.7587	20.98	190060	1.4180	14.72	190144	1.1790	16.21	
170137	1.1867	17.83	180023	0.8648	15.88	180072	1.0971	16.90	180142	1.7748	.	190064	1.5435	20.45	190145	0.9717	15.23	
170139	0.9665	14.20	180024	1.2656	16.17	180078	1.1261	21.12	180143	1.6771	.	190065	1.4662	20.99*	190146	1.9466	21.28	
170142	1.3188	.	180025	1.1446	14.18	180079	1.1868	15.16	190001	0.8922	17.68	190071	0.9278	14.48	190147	0.9621	14.43	

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.
190148	0.8906	16.63	190238	2.2526	210001	1.3750	20.48	210051	1.3718	22.43	220055	1.1979	22.52	220126	1.1979	22.52	220126
190149	0.9665	17.60	190239	1.2930	210002	1.9731	19.92	210054	1.3449	22.35	220057	1.2991	25.39	220133	0.6689	25.46	220133
190151	0.9874	14.73	190240	0.9593	210003	1.5516	20.34	210055	1.2826	29.25	220058	1.0709	19.94	220135	1.2670	25.65	220135
190152	1.4654	22.21	200001	1.2974	210004	1.3195	24.29	210056	1.3522	19.27	220060	1.1973	22.08	220136	0.9335	22.96	220136
190156	0.9348	15.75	200002	1.1115	210005	1.2993	21.49	210057	1.3527	23.83	220062	0.5889	20.47	220137	0.9417	22.48	220137
190158	1.2527	20.46	200003	1.1105	210006	1.0867	18.94	210058	1.4772	22.08	220063	1.2556	20.40	220138	1.2556	20.40	220138
190160	1.2291	17.10	200006	1.0504	210007	1.8486	23.10	210059	1.2070	22.68	220064	1.2030	22.33	220139	1.2030	22.33	220139
190161	0.9863	15.57	200007	1.0325	210008	1.2749	21.18	210060	1.2192	17.22	220065	1.2547	20.14	220140	1.2547	20.14	220140
190162	1.1566	20.61	200008	1.2729	210009	1.9447	20.54	210061	1.1158	17.22	220066	1.3452	20.78	220141	1.3452	20.78	220141
190164	1.1628	15.18	200009	1.8745	210010	1.0726	18.72	220001	1.3264	21.94	220067	1.2798	26.44	220142	1.2798	26.44	220142
190167	1.0912	16.67	200012	1.1257	210011	1.3814	21.49	220002	1.4324	24.13	220070	1.1693	19.75	220143	1.1693	19.75	220143
190170	0.9034	14.18	200013	1.1578	210012	1.7070	20.72	220003	1.0393	16.92	220071	1.9058	25.62	220144	1.9058	25.62	220144
190173	1.3080	23.64	200016	1.0186	210013	1.3658	19.73	220006	1.3492	22.31	220073	1.3530	25.60	220145	1.3530	25.60	220145
190175	1.4252	19.36	200017	1.1811	210015	1.3135	16.19	220008	1.3285	24.47	220074	1.3032	25.64	220146	1.3032	25.64	220146
190176	1.5335	24.06	200018	1.1181	210016	1.7812	23.87	220010	1.3462	21.86	220075	1.8156	22.81	220147	1.8156	22.81	220147
190177	1.6845	18.67	200019	1.2339	210017	1.2263	18.89	220011	1.1325	26.18	220076	1.1831	22.67	220148	1.1831	22.67	220148
190178	0.9682	11.07	200020	1.1906	210018	1.2192	22.21	220012	1.3273	32.08	220077	1.8447	25.26	220149	1.8447	25.26	220149
190182	1.1484	20.28	200021	1.1093	210019	1.6597	19.30	220015	1.1643	22.58	220079	0.7680	22.63	220150	0.7680	22.63	220150
190183	1.1619	16.77	200023	0.8613	210022	1.4497	22.64	220016	1.3209	23.38	220080	1.3219	21.52	220151	1.3219	21.52	220151
190184	0.9918	17.20	200024	1.4154	210023	1.3948	23.19	220017	1.3141	22.46	220081	0.9893	29.17	220152	0.9893	29.17	220152
190185	1.3294	20.14	200025	1.1508	210024	1.7226	20.60	220019	1.1190	19.56	220082	1.3034	21.67	220153	1.3034	21.67	220153
190186	0.9135	18.76	200026	1.0686	210025	1.2925	19.59	220020	1.1919	21.42	220083	1.1981	23.92	220154	1.1981	23.92	220154
190190	0.9308	17.46	200027	1.2380	210026	1.3244	12.13	220023	1.1824	16.19	220084	1.3040	23.66	220155	1.3040	23.66	220155
190191	1.1525	20.50	200028	0.9559	210027	1.2645	17.69	220024	1.1445	21.54	220086	1.7752	23.87	220156	1.7752	23.87	220156
190196	0.8609	17.92	200031	1.2491	210028	1.1840	19.64	220025	1.4832	22.80	220088	1.6326	22.91	220157	1.6326	22.91	220157
190197	1.2134	19.56	200032	1.2931	210029	1.2401	21.22	220028	1.4832	22.80	220089	1.2427	23.10	220158	1.2427	23.10	220158
190199	1.2359	16.06	200033	1.8163	210030	1.2537	21.74	220029	1.1952	23.15	220090	1.2971	22.00	220159	1.2971	22.00	220159
190200	1.5590	22.04	200034	1.2552	210031	1.427	16.23	220030	1.1366	18.54	220092	1.1430	18.52	220160	1.1430	18.52	220160
190201	1.2161	18.71	200037	1.2116	210032	1.1936	17.72	220031	1.6739	30.24	220095	1.2186	21.48	220161	1.2186	21.48	220161
190202	1.2084	18.71	200038	1.1309	210033	1.2617	20.81	220033	1.2513	20.07	220098	1.2582	21.59	220162	1.2582	21.59	220162
190203	1.4659	21.74	200039	1.2521	210034	1.2805	15.73	220035	1.2845	21.64	220100	1.3692	25.71	220163	1.3692	25.71	220163
190204	1.4734	21.46	200040	1.1933	210035	1.2804	20.27	220036	1.6131	24.65	220101	1.4126	25.92	220164	1.4126	25.92	220164
190205	1.8421	19.66	200041	1.1206	210037	1.2093	18.31	220038	1.3092	22.65	220104	1.2516	23.21	220165	1.2516	23.21	220165
190206	1.6321	21.70	200043	0.8145	210038	1.4381	23.50	220041	1.2373	23.47	220105	1.2465	21.41	220166	1.2465	21.41	220166
190207	1.1356	20.51	200050	1.2191	210039	1.1973	19.99	220042	1.3510	25.08	220106	1.1883	25.66	220167	1.1883	25.66	220167
190208	0.8355	20.01	200051	0.9579	210040	1.2818	21.50	220046	1.3510	22.71	220108	1.1610	21.91	220168	1.1610	21.91	220168
190218	0.9927	19.75	200052	0.9937	210043	1.2915	19.65	220049	1.2912	26.00	220110	2.0558	22.10	220169	2.0558	22.10	220169
190227	0.9050	15.83	200055	1.0153	210044	1.3683	22.58	220050	1.1623	22.01	220111	1.2403	23.81	220170	1.2403	23.81	220170
190231	1.4047	15.83	200062	0.9335	210045	1.1044	11.61	220051	1.1874	21.10	220116	1.3733	26.17	220171	1.3733	26.17	220171
190236	1.5060	19.34	200063	1.1789	210048	1.3341	23.05	220052	1.2388	23.76	220119	1.2692	23.32	220172	1.2692	23.32	220172
190237	2.1390	21.39	200066	1.1319	210049	1.1474	19.08	220053	1.1723	19.13	220123	1.0842	25.90	220173	1.0842	25.90	220173

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE
240154	0.9861	17.58	250023	0.9100	13.91	250079	0.8718	16.27	250149	0.9670	12.96	260054	1.3049	20.02
240155	0.9382	19.88	250024	0.9331	12.71	250081	1.2885	17.33	250150	1.7338		260055	0.9769	12.01
240157	0.9796	17.42	250025	1.0576	19.04	250082	1.5886	16.10	260001	1.7310	18.10	260057	1.0375	17.46
240160	0.9985	15.95	250027	0.9856	14.95	250083	0.9078	14.26	260002	1.3519	22.12	260059	1.2131	16.10
240161	0.9772	15.80	250029	0.8439	16.48	250084	1.1372	17.02	260003	1.1104	14.66	260061	1.0893	14.72
240162	1.0664	16.63	250030	0.9057	17.36	250085	0.9496	14.38	260004	0.9092	13.01	260062	1.1842	20.15
240163	0.9685	18.83	250031	1.1993	17.97	250088	0.9698	17.87	260005	1.5319	19.56	260063	1.0409	18.23
240166	1.0868	17.32	250032	1.2706	17.13	250089	1.0825	13.42	260006	1.5269	19.75	260064	1.3153	16.59
240169		16.67	250033	0.9662	17.83	250093	1.1749	15.20	260008	0.9459	13.85	260065	1.7721	19.44
240170	1.0880	18.88	250034	1.5059	16.70	250094	1.3028	18.08	260009	1.3027	18.51	260066	1.0201	14.96
240171	0.9467	17.29	250035	0.8318	15.24	250095	0.9666	17.00	260011	1.5625	19.10	260067	0.8996	14.22
240172	0.9243	18.28	250036	0.9373	15.84	250096	1.2288	19.07	260012	1.0105	14.36	260068	1.6754	20.24
240173	0.9561	17.26	250037	0.9013	15.43	250097	1.2227	16.99	260013	1.1272	15.99	260070	0.9982	
240179	0.9728	17.51	250038	0.9448	16.85	250098	0.8736	13.13	260014	0.7243		260073	1.0537	14.26
240184	0.9966	15.38	250039	1.0126	14.16	250099	1.2369	14.85	260015	1.1808	16.58	260074	1.2874	19.03
240187	1.2630	19.92	250040	1.3202	17.34	250100	1.3065	17.17	260017	1.1993	16.79	260077	1.7862	18.65
240193	0.9661	17.82	250042	1.2329	16.39	250101	0.9552	18.47	260018	0.8930	12.01	260078	1.1331	15.64
240196	0.7807	24.35	250043	0.8712	16.07	250102	1.5108	23.93	260019	1.1483	18.61	260079	1.0014	14.30
240200	0.9272	14.34	250044	0.9680	16.12	250104	1.4599	18.25	260020	1.7749	20.51	260080	0.9773	13.54
240205	0.9243		250045	1.2067	22.08	250105	0.9041	14.54	260021	1.3795	22.10	260081	1.5736	21.01
240206	0.8234		250047	0.9759	13.37	250107	1.5157	15.15	260022	1.1850	17.25	260082	1.1306	15.94
240207	1.1594	24.11	250048	1.5786	16.89	250109	0.8783	22.16	260023	1.3634	16.47	260085	1.5483	20.47
240210	1.2491	24.22	250049	0.8829	11.67	250112	0.9694	15.36	260024	0.9407	15.24	260086	0.9234	14.32
240211	0.9874	19.74	250050	1.2004	14.39	250117	1.0304	16.12	260025	1.3070	15.49	260091	1.6738	20.00
250001	1.6112	18.42	250051	0.8618	9.35	250119	1.0912	15.22	260027	1.6845	20.64	260094	1.2029	18.01
250002	0.8541	17.25	250057	1.1764	15.92	250120	1.1700	15.34	260029	1.1663	19.75	260095	1.3973	19.69
250003	1.0047	17.65	250058	1.1864	15.53	250122	1.1738	18.94	260030	1.0946	12.51	260096	1.5339	23.03
250004	1.5584	17.89	250059	1.0693	16.28	250123	1.1743	18.87	260031	1.5437	19.49	260097	1.1362	16.56
250005	0.9383	12.60	250060	0.7500	13.03	250124	0.9027	13.18	260032	1.7894	20.20	260100	0.9513	15.70
250006	0.9859	16.90	250061	0.8374	11.03	250125	1.3343	20.89	260034	0.9603	17.42	260102	0.9927	20.13
250007	1.2467	19.29	250063	0.8472	13.25	250126	0.9689	18.24	260035	0.9701	13.11	260103	1.3726	18.60
250008	1.0048	14.18	250065	0.8716	12.89	250127	0.8221		260036	0.9895	16.74	260104	1.6047	21.01
250009	1.3292	18.56	250066	0.8898	15.68	250128	1.0216	14.00	260039	1.0788	14.19	260105	1.8093	24.72
250010	0.9977	13.39	250067	1.1539	16.41	250131	1.0306	12.61	260040	1.6310	17.31	260107	1.4582	19.84
250012	0.9786	14.16	250068	0.8249	13.68	250134	0.9418	17.07	260042	1.0374	18.76	260108	1.8731	19.46
250015	0.9911	13.53	250069	1.2716	17.90	250136	0.8988	18.97	260044	0.9634	15.99	260109	1.0518	13.91
250017	1.0353	17.94	250071	0.8828	14.38	250138	1.2422	18.40	260047	1.5740	19.01	260110	1.6778	17.84
250018	0.8896	11.93	250072	1.4487	18.22	250141	1.2465	19.01	260048	1.3286	20.09	260113	1.2672	14.68
250019	1.5527	16.74	250076		10.51	250145	0.8394	10.25	260050	1.0042	15.69	260115	1.1526	19.23
250020	0.9604	13.45	250077	0.9834	12.26	250146	0.9408	14.49	260052	1.3534	18.06	260116	1.0747	16.53
250021	0.9933	9.43	250078	1.5177	15.63	250148	1.0949	18.10	260053	1.1619	15.22	260119	1.1354	16.88

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.
260206	3.5316		270079	0.9307	15.69	280048	1.0610	15.87	280105	1.3280	18.66	300003	1.8880	22.91	310019	1.6477	24.05
270002	1.3163	29.00	270080	1.0688	16.32	280049	1.1344	18.36	280106	0.9652	16.12	300005	1.2652	20.75	310020	1.4285	24.18
270003	1.1745	22.10	270081	0.9728	15.63	280050	0.9190	16.64	280107	1.0640	13.33	300006	1.1972	23.78	310021	1.8599	23.94
270004	1.7340	19.63	270082	1.0769	17.34	280051	0.9767	15.63	280108	1.1057	17.56	300007	1.1496	20.47	310022	1.3049	21.27
270006	0.8753	16.02	270083	1.0248	18.44	280052	1.0544	14.08	280109	0.9708	12.68	300008	1.1617	20.77	310024	1.3490	24.24
270007	1.0201	11.31	270084	0.9263	16.62	280054	1.2303	18.80	280110	0.9881	12.75	300009	1.0513	18.06	310025	1.2385	24.35
270009	1.0858	17.23	280001	1.0557	17.35	280055	0.9476	13.57	280111	1.3031	21.88	300010	1.3185	19.39	310026	1.3332	23.55
270011	1.0194	20.27	280003	2.1265	22.32	280056	0.8578	12.65	280114	0.9370	15.72	300011	1.3296	22.43	310027	1.3242	21.88
270012	1.5776	19.73	280005	1.3927	19.24	280057	0.9221	18.05	280115	0.9539	16.70	300012	1.3252	24.57	310028	1.2710	23.46
270014	1.9206	19.09	280009	1.7899	19.81	280058	1.1285	19.67	280117	1.0304	17.73	300013	1.1199	19.12	310029	1.8589	22.66
270016	0.8704	19.67	280010	0.8079	17.49	280060	1.5675	19.75	280118	0.9359	16.87	300014	1.2241	20.33	310031	2.8282	26.16
270017	1.2553	21.08	280011	0.8768	15.86	280061	1.3985	17.16	280119	0.8813		300015	1.1925	20.49	310032	1.2800	24.35
270019	1.1179	18.11	280013	1.7399	22.81	280062	1.1417	14.49	280123	0.8947	14.06	300016	1.2015	21.87	310034	1.2957	23.27
270021	1.0774	17.18	280014	0.9194	15.96	280064	0.9605	16.30	280125	1.2270	16.13	300017	1.4332	21.66	310036	1.1769	20.19
270023	1.2742	22.26	280015	1.0055	17.03	280065	1.2540	19.29	290001	1.7238	22.82	300018	1.3174	21.24	310037	1.3727	27.78
270026	0.9444	17.51	280017	1.0439	14.21	280066	1.0137	11.66	290002	0.9215	17.26	300019	1.2062	20.98	310038	1.9845	26.72
270027	1.0309	13.14	280018	0.9921	15.13	280068	0.8544	9.49	290003	1.6788	22.88	300020	1.3569	21.92	310039	1.2730	22.17
270028	1.1116	21.15	280020	1.7874	19.97	280070	0.9526	17.74	290005	1.3091	19.49	300021	1.1376	18.62	310040	1.2261	26.15
270029	0.9261	16.57	280021	1.1393	17.10	280073	0.9819	17.42	290006	1.2330	21.81	300022	1.4045	18.35	310041	1.3095	24.90
270032	1.1138	17.74	280022	0.9370	16.72	280074	1.0434	16.43	290007	1.6320	29.77	300023	1.4287	22.12	310042	1.2518	23.25
270033	0.8100	16.96	280023	1.3767	25.85	280075	1.1198	15.53	290008	1.1991	20.62	300024	1.2956	19.91	310043	1.1489	21.90
270035	0.9560	16.83	280024	0.9506	14.22	280076	1.1016	14.85	290009	1.6409	23.36	300028	1.2847	17.41	310044	1.3209	21.67
270036	0.9083	14.25	280025	0.9383	15.59	280077	1.2257	19.21	290010	1.1177	15.64	300029	1.5945	22.57	310045	1.4617	28.49
270039	1.0428	15.94	280026	1.0401	16.69	280079	0.9470	10.45	290011	0.9685	20.16	300033	1.0874	17.19	310047	1.3298	25.11
270040	1.1301	18.81	280028	1.0583	17.32	280080	1.0743	15.33	290012	1.3568	21.83	300034	2.1189	25.52	310048	1.2895	23.61
270041	1.1196	19.03	280029	1.1040	23.13	280081	1.6635	21.08	290013	1.0146	18.27	310001	1.7580	28.13	310049	1.2085	24.83
270044	1.0627	16.77	280030	1.7572	24.54	280082	0.9945	14.34	290014	1.0345	18.97	310002	1.8321	28.34	310050	1.3112	25.17
270048	0.9847	17.01	280031	1.0339	13.57	280083	1.0392	18.30	290015	0.9468	22.35	310003	1.3223	29.11	310051	1.4177	27.13
270049	1.7311	22.24	280032	1.3348	18.90	280084	0.9599	12.58	290016	1.0872	14.35	310005	1.3372	22.11	310052	1.2477	22.93
270050	1.0823	16.71	280033	0.9923	15.76	280085		20.43	290019	1.3051	21.25	310006	1.2911	21.60	310054	1.3222	26.17
270051	1.3362	20.27	280035	1.0577	15.92	280088		20.30	290020	0.9228	20.87	310008	1.3617	23.51	310057	1.2566	21.17
270052	0.9741	14.48	280037	1.0092	16.80	280089	0.9474	18.17	290021	1.6563	21.58	310009	1.3139	23.64	310058	1.2174	26.53
270057	1.2854	21.13	280038	1.0720	17.09	280090		14.14	290022	1.6276	24.55	310010	1.2710	22.57	310060	1.2836	19.20
270058	0.9740	14.75	280039	1.0240	16.04	280091	1.0634	15.84	290027	0.8971	16.78	310011	1.2150	23.20	310061	1.2297	23.26
270059	0.7770	14.75	280040	1.7213	19.53	280092	1.0073	14.19	290029	0.9152		310012	1.6329	26.52	310062		22.91
270060	0.9697	15.27	280041	0.9411	16.41	280094	0.9541	17.69	290032	1.4460	22.84	310013	1.3374	21.23	310063	1.3701	21.90
270061	1.0414	12.61	280042	1.0223	16.12	280097	1.0200	14.17	290038	0.8689	20.67	310014	1.6575	27.46	310064	1.3388	24.86
270073	1.2129	14.46	280043	1.0169	16.66	280098	0.9236	13.00	290039	1.3617	25.39	310015	2.0201	27.43	310067	1.3359	25.09
270074	0.8911		280045	1.0114	16.90	280101	1.0304	13.53	290041	1.2968		310016	1.2890	24.38	310069	1.3280	23.75
270075	0.9208		280046	1.0452	17.92	280102		14.01	290043	1.4085		310017	1.3423	25.79	310070	1.3766	26.09
270076	0.8683		280047	1.0712	18.34	280104	0.9154	13.28	300001	1.5543	22.09	310018	1.1254	22.84	310072	1.3529	21.76

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.
310073	1.6662	28.51	320011	1.1635	20.06	330007	1.3239	330066	1.4015	330133	1.4015	330201	1.6150	32.11	330201	1.6150	32.11
310074	1.4017	23.83	320012	1.0161	16.44	330008	1.3648	330067	1.3648	330135	1.1921	330202	1.2954	31.44	330202	1.2954	31.44
310075	1.3322	23.33	320013	1.2033	22.96	330009	1.2478	330072	1.3899	330136	1.3320	330203	1.4145	20.76	330203	1.4145	20.76
310076	1.4861	30.08	320014	1.0710	16.36	330010	1.3039	330073	1.2028	330140	1.7844	330204	1.4205	29.44	330204	1.4205	29.44
310077	1.5989	25.25	320015	1.1670	20.54	330011	1.2557	330074	1.2902	330141	1.3349	330205	1.2419	20.58	330205	1.2419	20.58
310078	1.3604	23.88	320016	1.0924	18.64	330012	1.2482	330075	1.0712	330144	0.9514	330208	1.2196	26.18	330208	1.2196	26.18
310081	1.3165	22.08	320018	1.4866	18.85	330013	2.0884	330078	1.4088	330148	1.0294	330209	1.1879	23.99	330209	1.1879	23.99
310083	1.2091	23.89	320019	1.4324	24.47	330014	1.3548	330079	1.1676	330151	1.1133	330211	1.2026	19.51	330211	1.2026	19.51
310084	1.2832	26.67	320021	1.7040	17.87	330016	1.0280	330080	1.2833	330152	1.4507	330212	1.0308	21.77	330212	1.0308	21.77
310086	1.2428	22.17	320022	1.1678	16.18	330019	1.3322	330084	1.0903	330153	1.6757	330213	1.0956	18.77	330213	1.0956	18.77
310087	1.3332	20.72	320023	0.9239	18.05	330020	1.0410	330085	1.2357	330154	1.7681	330214	1.8054	36.44	330214	1.8054	36.44
310088	1.2256	22.32	320030	1.1665	16.55	330023	1.3047	330086	1.3374	330157	1.3655	330215	1.1628	19.69	330215	1.1628	19.69
310090	1.3837	23.83	320031	0.9716	19.68	330024	1.7869	330088	1.0435	330158	1.4573	330218	1.1070	21.48	330218	1.1070	21.48
310091	1.2506	22.80	320032	0.9893	18.81	330025	1.1203	330090	1.5198	330159	1.2553	330219	1.5277	23.99	330219	1.5277	23.99
310092	1.3627	20.52	320033	1.0647	25.08	330027	1.3967	330091	1.3988	330160	1.4835	330221	1.4119	27.85	330221	1.4119	27.85
310093	1.2382	22.43	320035	0.9774	21.52	330028	1.4167	330092	1.0016	330162	1.3018	330222	1.2932	18.37	330222	1.2932	18.37
310096	2.0551	25.16	320037	1.2047	17.03	330029	1.0048	330094	1.2723	330163	1.2807	330223	1.0727	17.62	330223	1.0727	17.62
310105	1.2277	25.59	320038	1.1866	16.81	330030	1.5264	330095	1.2586	330164	1.3877	330224	1.2910	19.64	330224	1.2910	19.64
310108	1.4164	22.48	320046	1.4604	18.32	330033	1.2438	330096	1.1052	330166	1.0961	330225	1.1884	25.58	330225	1.1884	25.58
310110	1.2388	21.83	320048	1.2998	19.96	330034	1.2438	330097	1.1926	330167	1.7307	330226	1.3214	16.67	330226	1.3214	16.67
310111	1.2815	21.11	320056	0.9230	31.40	330036	1.2491	330100	1.0517	330169	1.4082	330229	1.2677	16.80	330229	1.2677	16.80
310112	1.3102	23.67	320057	0.9771	16.11	330037	1.1393	330101	1.7645	330171	1.2626	330230	1.2694	29.76	330230	1.2694	29.76
310113	1.2462	23.68	320058	0.9443	16.25	330038	1.0977	330102	1.3654	330175	1.1803	330231	1.0236	30.09	330231	1.0236	30.09
310115	1.2716	21.73	320059	1.0804	24.52	330041	1.2947	330103	1.2136	330177	0.9549	330232	1.2275	17.91	330232	1.2275	17.91
310116	1.3459	22.98	320060	0.9844	28.75	330043	1.3001	330104	1.3505	330180	1.2308	330233	1.4892	30.92	330233	1.4892	30.92
310118	1.3484	26.46	320061	1.2609	20.02	330044	1.2702	330106	1.6789	330181	1.3089	330234	2.3628	35.18	330234	2.3628	35.18
310119	1.7942	33.67	320062	0.8443	28.08	330045	1.3692	330107	1.2277	330182	2.5752	330235	1.1567	21.08	330235	1.1567	21.08
310120	1.1620	23.97	320063	1.2658	18.32	330046	1.4433	330108	1.2557	330183	2.5752	330236	1.4014	29.59	330236	1.4014	29.59
310528	1.4071	19.12	320065	1.1439	16.79	330047	1.2317	330111	1.0706	330183	1.4721	330238	1.2153	15.62	330238	1.2153	15.62
310529	1.4071	19.12	320067	0.9611	33.87	330048	1.2598	330114	0.9086	330184	1.3680	330239	1.2077	17.45	330239	1.2077	17.45
310534	0.5907	17.48	320068	0.8789	17.48	330049	1.1966	330115	1.1376	330185	1.2876	330240	1.3427	29.71	330240	1.3427	29.71
310832	0.8079	13.01	320069	0.9685	13.01	330053	1.2453	330116	0.8466	330188	1.2389	330241	2.0322	24.61	330241	2.0322	24.61
310850	0.7641	19.34	320070	0.9979	36.11	330055	1.6309	330118	1.6632	330189	0.9157	330242	1.3667	28.26	330242	1.3667	28.26
310858	0.8079	19.12	320074	1.1344	19.34	330056	1.3738	330119	1.6632	330191	1.2923	330243	1.6763	17.68	330243	1.6763	17.68
320001	1.3222	19.12	320079	1.1973	18.28	330057	1.7171	330121	1.0206	330193	1.4076	330246	1.3462	28.11	330246	1.3462	28.11
320002	1.3286	22.62	330001	1.1783	26.55	330058	1.2879	330122	1.0280	330194	1.8635	330247	0.9357	28.53	330247	0.9357	28.53
320003	1.1472	15.95	330002	1.3658	26.54	330059	1.5454	330125	1.8727	330195	1.6392	330249	1.1686	16.27	330249	1.1686	16.27
320004	1.2303	18.58	330003	1.3551	19.41	330061	1.2623	330126	1.2024	330196	1.2994	330250	1.3145	19.58	330250	1.3145	19.58
320005	1.3699	21.61	330004	1.2751	22.53	330062	1.1007	330127	1.3854	330197	1.0855	330254	1.3200	18.41	330254	1.3200	18.41
320006	1.4044	18.90	330005	1.6335	24.83	330064	1.3544	330128	1.3017	330198	1.4001	330258	1.2262	29.74	330258	1.2262	29.74
320009	1.6940	18.29	330006	1.3530	25.06	330065	1.2485	330132	1.1944	330199	1.3274	330259	1.4464	26.27	330259	1.4464	26.27

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.
330261	1.2037	25.72	330393	1.8382	26.50	340037	1.1033	16.66	340098	1.5952	21.41	340158	1.0371	18.14	350042	1.0451	16.74
330263	0.9766	20.41	330394	1.5304	19.24	340038	1.0927	17.38	340099	1.0903	16.83	340159	1.1720	17.39	350043	1.5466	16.59
330264	1.1703	22.87	330395	1.3654	32.87	340039	1.2714	20.59	340101	1.0078	14.00	340160	1.0931	16.18	350044	0.8810	10.22
330265	1.3006	18.02	330396	1.2228	34.86	340040	1.7834	20.43	340104	0.8760	13.05	340162	1.0931	16.18	350047	0.9607	14.46
330267	1.4341	24.52	330397	1.3012	33.91	340041	1.2050	15.14	340105	1.4836	20.30	340164	1.3481	21.25	350049	1.1631	14.80
330268	0.9369	13.06	330398	1.2690	28.77	340042	1.2299	16.93	340106	1.1165	17.72	340166	1.3044	20.04	350050	0.8465	11.49
330270	1.9561	34.43	330399	1.2690	32.91	340044	1.0557	18.87	340107	1.2071	18.02	340168	0.5101	15.29	350051	0.9311	17.73
330273	1.3015	23.15	330400	0.8784	18.18	340045	0.9666	13.05	340109	1.3153	18.77	340171	1.1444	21.60	350053	1.0115	14.94
330275	1.9700	19.05	340001	1.4103	18.18	340047	1.8747	20.06	340111	1.0635	16.33	340173	1.2105	19.33	350055	1.0247	14.57
330276	1.2323	18.29	340002	1.6732	20.89	340049	0.7283	19.21	340112	0.9904	14.76	350001	0.9882	14.91	350056	0.9278	14.83
330277	1.1145	18.32	340003	1.0954	20.25	340050	1.1213	20.01	340113	1.8636	21.29	350002	1.8088	17.53	350058	0.9796	15.94
330279	1.3749	19.60	340004	1.4557	19.07	340051	1.2485	16.56	340114	1.5492	21.22	350003	1.2254	18.25	350060	0.8490	10.37
330285	1.8612	23.53	340005	1.0289	15.82	340052	1.0005	22.82	340115	1.5723	19.76	350004	1.9072	20.65	350061	1.0017	15.73
330286	1.2781	26.76	340006	0.9746	16.98	340053	1.5846	20.95	340116	1.8238	20.42	350005	1.0417	18.38	350063	0.9667	15.73
330290	1.7529	33.51	340007	1.1555	17.24	340054	1.1409	15.60	340119	1.2150	18.85	350006	1.5536	18.41	350064	0.7558	15.73
330293	1.1720	16.22	340008	1.1423	21.29	340055	1.2622	19.60	340120	1.0492	15.04	350007	0.8587	13.33	350069	1.2802	17.08
330297	1.0131	20.50	340009	1.3354	18.34	340060	1.0867	18.71	340121	1.0746	16.33	350008	1.1682	20.48	350071	1.2943	17.08
330304	1.2300	26.77	340010	1.1279	13.66	340061	1.7364	21.54	340123	1.1160	16.91	350009	1.1136	19.16	350072	1.1397	18.01
330306	1.3163	27.38	340011	1.2312	18.87	340063	1.0093	17.02	340124	1.0777	15.58	350010	1.0119	16.28	350073	1.7057	22.75
330307	1.2304	21.07	340012	1.2499	20.17	340064	1.1283	20.71	340125	1.4295	19.72	350011	1.8859	18.20	350076	1.9148	21.80
330314	1.3586	24.54	340013	1.2499	20.17	340065	1.2215	17.54	340126	1.3008	18.81	350012	1.1412	15.70	350077	1.0242	18.09
330316	1.3137	27.61	340014	1.5206	20.57	340067	1.0003	19.38	340127	1.1952	19.39	350013	1.0371	16.46	350078	1.3481	18.54
330327	0.8647	16.46	340015	1.2769	20.16	340068	1.1733	16.63	340129	1.2433	20.46	350014	0.9712	16.84	350079	1.5341	18.93
330331	1.3091	31.62	340016	1.1190	17.54	340069	1.7753	21.08	340130	1.2830	19.74	350015	1.7379	16.34	350080	1.2338	19.23
330332	1.2556	27.69	340017	1.2086	19.42	340070	1.2877	19.78	340131	1.4399	19.79	350016	1.1655	11.65	350081	1.3384	19.38
330333	1.2826	29.19	340018	1.0798	14.09	340071	1.0822	17.14	340132	1.3407	17.34	350017	1.2975	17.63	350082	1.3386	19.99
330336	1.2323	29.77	340019	0.9708	14.90	340072	1.2078	16.74	340133	1.0257	16.48	350018	1.0471	14.49	350083	1.1574	20.50
330338	1.1713	22.46	340020	1.1758	18.63	340073	1.2972	21.98	340137	1.0849	21.02	350019	1.6648	19.31	350084	1.1009	20.24
330339	0.8910	20.01	340021	1.2527	19.80	340075	1.1567	18.71	340138	1.1262	20.76	350021	1.0506	16.29	350085	1.5829	17.81
330340	1.1929	28.84	340022	1.0713	17.82	340080	1.3505	21.02	340141	1.6889	21.38	350023	0.9937	17.90	350086	1.9321	21.75
330350	1.6644	30.89	340023	1.3871	18.54	340084	1.0707	17.15	340142	1.1665	17.15	350024	0.9642	14.75	350087	1.6759	23.52
330353	1.3479	32.20	340024	1.1993	17.38	340085	1.1699	17.35	340143	1.4587	21.36	350025	0.9326	17.12	350088	1.2030	18.71
330354	1.6425	36.59	340025	1.1962	17.26	340087	1.0973	17.39	340144	1.2427	20.91	350027	0.9559	15.08	350089	1.5244	21.78
330357	1.3539	36.59	340027	1.1833	18.08	340088	1.3505	21.02	340145	1.3092	20.11	350029	0.8521	13.52	350090	1.2677	19.35
330372	1.2479	28.85*	340028	1.5802	18.48	340089	0.9797	13.85	340146	1.1830	15.92	350030	1.0705	17.72	350092	1.3829	20.36
330381	1.2237	31.01	340030	2.0520	21.14	340090	1.1476	17.06	340147	1.2067	19.68	350033	0.9207	14.90	350093	1.3590	18.22
330385	1.2605	35.67	340031	0.9218	14.70	340091	1.6272	20.59	340148	1.2067	18.59	350034	0.9218	18.72	350094	1.4750	21.04
330386	1.1316	17.64	340032	1.4555	20.00	340093	1.0292	16.33	340151	1.1889	16.73	350035	0.9169	10.46	350095	1.4691	17.02
330387	0.9061	30.25	340034	1.2593	19.04	340094	1.3752	19.04	340153	1.8514	20.64	350036	1.0670	17.07	350096	1.1467	18.76
330389	1.8502	30.25	340035	1.0683	1.1811	340096	1.1811	17.82	340155	1.4057	20.58	350037	0.9504	17.04	350097	1.2387	17.57
330390	1.3637	31.16	340036	1.0915	18.22	340097	1.1358	18.84	340156	0.8353	20.58	350038	1.1019	14.67	350098	1.2614	19.39

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE	
		WAGE	WAGE			WAGE	WAGE			WAGE	WAGE			WAGE	WAGE			WAGE	WAGE
360032	1.1939	18.66	1.9049	360079	1.3751	19.92	1.0459	360189	1.0459	17.90	1.3148	370019	1.3148	14.23	0.9633	370080	0.9633	13.92	13.92
360034	1.2090	14.95	1.1499	360080	1.5669	19.43	1.3209	360192	1.3209	21.64	1.2259	370020	1.2259	14.38	0.8272	370082	0.8272	13.96	13.96
360035	1.6387	20.56	1.3624	360081	1.6859	20.69*	1.1996	360194	1.1996	17.19	0.8554	370021	0.8554	12.05	0.9352	370083	0.9352	13.15	13.15
360036	1.2495	20.21	1.2764	360082	1.0035	17.78	1.1079	360195	1.1079	19.93	1.2696	370022	1.2696	17.23	0.9432	370084	0.9432	22.05	22.05
360037	1.7878	23.51	1.5179	360084	1.7667	20.17	1.1036	360197	1.1036	20.06	1.3064	370023	1.3064	17.76	0.9432	370085	0.9432	11.28	11.28
360038	1.6177	21.25	1.9538	360085	1.9432	20.28	0.9540	360200	0.9540	16.23	1.3064	370025	1.3064	17.50	1.1237	370086	1.1237	15.44	15.44
360039	1.3100	18.78	1.5008	360086	1.6731	23.00	1.0978	360203	1.0978	16.32	1.3030	370026	1.3030	18.34	1.2280	370089	1.2280	16.10	16.10
360040	1.2325	18.16	1.5438	360087	1.6731	23.00	1.0978	360203	1.0978	16.32	1.3030	370026	1.3030	18.34	1.2280	370089	1.2280	16.10	16.10
360041	1.3558	19.57	1.3338	360088	1.5008	20.17	1.0541	360204	1.0541	22.25	1.9043	370028	1.9043	18.44	1.6042	370091	1.6042	19.17	19.17
360042	1.1140	17.43	1.2080	360089	1.3338	24.01	1.1394	360210	1.1394	21.00	1.1316	370029	1.1316	16.49	1.0128	370092	1.0128	14.98	14.98
360044	1.2326	17.06	1.2526	360090	1.2526	21.04	1.2947	360211	1.2947	19.99	1.1316	370030	1.1316	16.33	1.8140	370093	1.8140	18.46	18.46
360045	1.4050	22.15	1.2923	360091	1.7451	19.64	1.3355	360212	1.3355	21.11	1.5632	370032	1.5632	18.28	1.4121	370094	1.4121	18.00	18.00
360046	1.1640	20.48	1.1336	360092	1.2678	16.66	1.2090	360213	1.2090	19.48	1.0528	370033	1.0528	13.52	0.9814	370095	0.9814	12.64	12.64
360047	1.0989	17.19	1.0956	360093	1.1105	19.28	1.2990	360218	1.2990	18.95	1.2294	370034	1.2294	15.64	1.2813	370097	1.2813	22.97	22.97
360048	1.8272	22.58	1.3367	360094	1.3667	21.13	1.4935	360230	1.4935	21.98	25.58	370035	25.58	15.45	1.0939	370099	1.0939	15.45	15.45
360049	1.2098	20.46	1.3127	360095	1.4056	16.60	1.068	360231	1.068	12.96	0.9960	370036	0.9960	12.40	0.9114	370100	0.9114	14.02	14.02
360050	1.1453	12.99	1.0794	360096	1.5126	20.83	1.3214	360234	1.3214	23.26	1.7616	370037	1.7616	16.70	0.9544	370103	0.9544	19.24	19.24
360051	1.8254	20.83	1.5056	360098	1.1645	15.41	1.2707	360236	1.2707	17.84	0.9615	370038	0.9615	13.31	1.9098	370105	1.9098	21.33	21.33
360052	1.6229	19.62	1.0207	360099	1.0085	14.33	1.3379	360239	1.3379	20.19	1.423	370039	1.423	15.52	1.5203	370106	1.5203	18.55	18.55
360054	1.2059	17.26	1.2112	360100	1.4648	22.53	0.4315	360241	0.4315	23.53	1.0080	370040	1.0080	14.47	0.9726	370108	0.9726	12.33	12.33
360055	1.3527	21.56	1.3238	360101	1.2197	17.88	1.8124	360242	1.8124	14.87	0.9018	370041	0.9018	16.74	1.0949	370112	1.0949	14.85	14.85
360056	1.4038	19.05	1.2557	360102	1.1594	20.28	0.6904	360245	0.6904	16.46	0.8535	370042	0.8535	14.92	1.1539	370113	1.1539	16.10	16.10
360057	1.0536	15.01	1.1941	360106	1.3926	19.20	0.4151	360247	0.4151	16.31	0.9540	370043	0.9540	15.95	1.5822	370114	1.5822	16.33	16.33
360058	1.1192	18.70	1.1829	360107	0.7891	20.73	3.9348	360250	3.9348	16.31	0.9928	370046	0.9928	18.83	1.0884	370122	1.0884	22.56	22.56
360059	1.6015	20.56	1.0318	360108	1.8350	20.73	1.2846	360252	1.2846	16.31	1.3912	370047	1.3912	16.76	1.3873	370123	1.3873	18.92	18.92
360062	1.4229	20.76	1.1103	360109	1.1664	18.26	2.8198	360253	2.8198	22.52	1.2019	370048	1.2019	18.22	0.9161	370125	0.9161	15.63	15.63
360063	1.1771	18.45	1.8530	360112	1.3600	16.47	1.7256	360254	1.7256	14.73	1.2855	370049	1.2855	20.72	1.0242	370126	1.0242	23.97	23.97
360064	1.6013	20.48	1.2890	360113	1.3600	16.47	1.7256	360255	1.7256	22.52	1.2855	370049	1.2855	20.72	1.0242	370126	1.0242	23.97	23.97
360065	1.2483	20.05	1.0978	360114	1.3341	18.67	1.2169	370002	1.2169	19.32	1.2816	370054	1.2816	16.90	1.0890	370133	1.0890	10.96	10.96
360066	1.6104	21.60	1.3848	360115	1.2913	19.97	0.8524	370005	0.8524	15.17	1.6450	370056	1.6450	18.46	0.9847	370138	0.9847	16.40	16.40
360067	1.0771	15.32	1.2851	360116	1.2196	21.17	1.1504	370006	1.1504	16.65	1.0951	370057	1.0951	16.73	0.9891	370139	0.9891	14.86	14.86
360068	1.8258	21.28	1.4279	360118	1.1316	15.94	1.0947	370007	1.0947	15.29	1.0657	370059	1.0657	18.14	1.0495	370140	1.0495	16.07	16.07
360069	1.1757	16.70	1.1624	360121	1.1805	18.79	1.4123	370008	1.4123	16.66	1.0383	370060	1.0383	16.54	1.2713	370141	1.2713	18.41	18.41
360070	1.7376	17.38	1.3123	360123	1.2352	18.87	1.0147	370011	1.0147	14.97	1.2088	370063	1.2088	14.41	1.0233	370146	1.0233	12.64	12.64
360071	1.3032	17.98	1.2278	360125	1.4844	21.33	0.9609	370012	0.9609	11.73	0.8972	370064	0.8972	10.97	1.4777	370148	1.4777	20.65	20.65
360072	1.2207	18.15	1.2281	360126	1.4844	21.33	1.8324	370013	1.8324	19.34	0.9824	370065	0.9824	16.69	1.3538	370149	1.3538	16.19	16.19
360074	1.2812	20.83	1.1662	360127	1.2817	19.12	1.1749	370014	1.1749	20.65	1.0039	370071	1.0039	16.14	1.1105	370153	1.1105	17.83	17.83
360075	1.3409	22.45	1.2292	360128	1.2292	16.12	1.0990	370015	1.0990	17.03	0.8627	370072	0.8627	14.47	0.9998	370154	0.9998	15.51	15.51
360076	1.3672	20.07	0.9269	360129	1.0475	18.32	1.3358	370016	1.3358	19.12	1.2090	370076	1.2090	13.57	1.0548	370156	1.0548	13.93	13.93
360077	1.3738	21.10	1.0412	360130	1.4775	18.51	1.4775	370017	1.4775	12.64	1.5885	370078	1.5885	18.41	0.9803	370158	0.9803	15.69	15.69
360078	1.2572	21.44	1.2846	360131	0.9362	17.10	1.3286	370018	1.3286	18.51	0.9792	370079	0.9792	16.69	1.2132	370159	1.2132	28.05	28.05

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

PROV.	CASE AVG.			PROV.	CASE AVG.			PROV.	CASE AVG.			PROV.	CASE AVG.			
	MIX	INDEX	HOUR. WAGE		MIX	INDEX	HOUR. WAGE		MIX	INDEX	HOUR. WAGE		MIX	INDEX	HOUR. WAGE	
390204	1.2778	20.18	390285	1.6773	400098	1.3040	9.33	420015	1.3625	18.84	420080	1.4061	22.34	430048	1.1084	18.35
390206	18.40	390286	1.1146	9.85	400102	1.1154	15.62	420016	0.9104	15.62	420082	1.5063	20.47	430049	0.8828	15.54
390209	1.0418	17.48	390287	1.5519	400103	1.4138	11.21	420018	1.6907	19.74	420083	1.3496	20.15	430051	0.9216	17.06
390211	1.2274	17.86	390288	1.3223	400104	1.2732	11.07	420019	1.1322	17.00	420085	1.4404	19.96	430054	0.9526	14.73
390213	1.1661	18.85	390289	1.2775	400105	1.1795	9.30	420020	1.1856	20.94	420086	1.4443	25.72	430056	0.8957	11.76
390215	1.1898	20.71	390290	1.9170	400106	1.2231	9.31	420023	1.4592	19.49	420087	1.7284	19.14	430057	0.9837	15.44
390217	1.2172	19.14	390291	1.0064	400109	1.4639	10.98	420026	1.8478	20.35	420088	1.0674	17.19	430060	0.8973	9.04
390219	1.2817	18.83	390292	1.6512	400110	1.2211	10.33	420027	1.3024	18.85	420089	1.1728	20.25	430064	1.0133	14.44
390220	1.1341	18.72	390293	1.1807	400111	1.2002	9.56	420030	1.2525	19.15	420091	1.2948	18.87	430066	0.9008	14.36
390222	1.2828	21.57	400001	1.2704	400112	1.0782	10.18	420031	0.9074	14.19	420093	0.9809	17.47	430073	1.0143	16.11
390223	1.7600	23.65	400002	1.7014	400113	1.2094	9.22	420033	1.1229	21.73	420095	2.5155	17.47	430076	0.9191	12.76
390224	0.8469	15.30	400003	1.3336	400114	1.0938	9.05	420036	1.2331	17.61	420096	1.7514	17.47	430077	1.6721	19.30
390225	1.2363	18.61	400004	1.2013	400115	1.0871	9.82	420037	1.2653	21.79	430004	0.9633	18.54	430079	0.9080	13.68
390226	1.7155	21.83	400005	1.1669	400117	1.1337	10.23	420038	1.2437	17.67	430005	1.2825	16.31	430081	0.9463	13.68
390228	1.3762	19.41	400006	1.1930	400118	1.2347	9.44	420039	1.1392	15.84	430007	1.0403	14.11	430082	0.8214	11.11
390231	1.5428	22.75	400007	1.1671	400120	1.3234	9.53	420043	1.1810	19.45	430008	1.1204	17.66	430083	0.8717	11.11
390233	1.3670	19.49	400008	1.0022	400121	0.9227	7.81	420048	1.2222	18.44	430010	1.0599	17.18	430084	0.8880	11.11
390235	1.4497	25.08	400010	0.8818	400122	1.0333	8.19	420049	1.2076	17.58	430011	1.2701	16.98	430085	0.8145	17.89
390236	1.1965	16.24	400011	1.0851	400123	1.2664	7.81	420051	1.5734	19.50	430012	1.2857	17.28	430089	0.8934	17.89
390237	1.3383	19.52	400012	1.2487	400124	2.9192	12.10	420053	1.1074	16.96	430013	1.2128	18.13	430090	1.5851	21.52
390238	1.3058	17.82	400013	1.2445	400125	1.0767	12.10	420054	1.2681	18.27	430014	1.2999	16.89	430091	1.8060	19.21
390244	0.9301	15.46	400014	1.3944	410001	1.3868	23.28	420055	1.0334	19.20	430015	1.1567	18.00	430092	2.0606	11.11
390245	1.3389	26.02	400015	1.5550	410004	1.2248	22.48	420056	1.2204	14.87	430016	1.8945	19.48	430093	0.9831	11.11
390246	1.1336	18.97	400016	1.3421	410005	1.2954	23.14	420057	1.1456	15.98	430018	0.9370	14.89	440001	1.1951	14.87
390247	1.0155	20.95	400017	1.2238	410006	1.2614	23.40	420059	0.9931	15.82	430022	0.8643	13.49	440002	1.6605	19.15
390249	0.9450	12.79	400018	1.2832	410007	1.6132	22.15	420061	1.1300	16.56	430023	0.9049	12.23	440003	1.2542	18.37
390256	1.8872	20.95	400019	1.5224	410008	1.2095	23.07	420062	1.1742	17.82	430024	0.9611	15.47	440006	1.3364	19.60
390258	1.4926	21.92	400021	1.4434	410009	1.3252	24.49	420064	1.1834	16.72	430027	1.7835	19.15	440007	1.0210	12.12
390260	1.1989	21.95	400022	1.3544	410010	1.1306	26.98	420065	1.3501	19.69	430028	1.1333	18.23	440008	1.0193	17.28
390262	1.9235	18.24	400024	0.9636	410011	1.2456	25.29	420066	1.0336	15.18	430029	0.9464	16.65	440009	1.1784	17.84
390263	1.3571	25.47	400026	1.0182	410012	1.8184	24.58	420067	1.2057	18.86	430031	0.8722	13.13	440010	0.9359	19.98
390265	1.2957	20.36	400027	1.0182	410013	1.2785	24.51	420068	1.3324	18.50	430033	0.9731	15.30	440011	1.3657	17.69
390266	1.1667	17.17	400028	1.1211	420002	1.4861	19.48	420069	1.0437	17.08	430034	0.9643	15.41	440012	1.6469	15.98
390267	1.2434	21.30	400031	1.2042	420004	1.8856	19.80	420070	1.2714	18.01	430036	0.9604	13.70	440014	0.9859	15.92
390268	1.3335	21.35	400032	1.2042	420005	1.0765	17.35	420071	1.3358	19.45	430037	0.9250	16.54	440015	1.8167	18.26
390270	1.3998	19.09	400044	1.4724	420006	1.0764	18.34	420072	0.9270	13.86	430038	1.0092	13.72	440016	1.0272	15.41
390272	0.5153	18.29	400048	1.1607	420007	1.5934	18.21	420073	1.2990	19.16	430040	1.0441	13.67	440017	1.8057	19.62
390278	0.6686	18.29	400061	1.7879	420009	1.1757	18.55	420074	0.9703	16.93	430041	0.8894	13.19	440018	1.2741	16.41
390279	1.0621	14.32	400079	1.2002	420010	1.1485	17.12	420075	0.9049	14.29	430043	1.1838	13.69	440019	1.7622	20.04
390281	1.3650	14.32	400087	1.5059	420011	1.1604	16.57	420078	1.8714	20.73	430044	0.7894	18.50	440020	1.1151	18.12
390284	1.4412	14.32	400094	1.0919	420014	1.0098	16.61	420079	1.4533	20.86	430047	1.0486	17.50	440022	1.0486	15.85

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.
440023	1.0911	15.47	440083	1.0260	14.85	440174	0.9274	17.33	450028	1.4881	18.88	450096	1.4321	17.88	450157	1.0333	15.64
440024	1.3014	18.44	440084	1.1547	13.44	440175	1.1198	20.08	450029	1.6986	17.47	450097	1.3603	19.57	450160	0.9633	16.65
440025	1.1416	15.88	440091	1.6378	19.61	440176	1.3125	18.03	450031	1.3759	22.22	450098	1.0440	20.58	450162	1.2453	20.96
440026	23.06	23.06	440100	0.9811	13.64	440180	1.1300	19.78	450032	1.2417	17.33	450099	1.1798	19.23	450163	1.0142	17.54
440029	1.2727	19.43	440102	1.1448	14.35	440181	0.9170	16.49	450033	1.6071	19.74	450101	1.5395	17.13	450164	1.1251	16.97
440030	1.1742	16.29	440103	1.7583	20.31	440182	0.9915	17.75	450034	1.5586	19.67	450102	1.6849	18.67	450165	0.9970	13.92
440031	1.0699	15.54	440104	1.7583	22.44	440183	1.6054	22.71	450035	1.4408	20.10	450104	1.1458	16.67	450166	0.9901	11.48
440032	0.9957	13.98	440105	0.9719	16.71	440184	1.1707	17.20	450037	1.5433	19.54	450107	1.5558	25.20	450169		13.20
440033	1.1006	14.53	440109	1.1213	16.04	440185	1.1880	19.39	450039	1.5440	19.81	450108	1.0353	15.63	450170	0.9212	14.30
440034	1.5819	19.55	440110	1.1734	21.17	440186	0.9940	19.39	450040	1.7174	16.85	450109	0.9101	13.81	450176	1.3093	16.97
440035	1.2490	18.90	440111	1.4099	23.24	440187	1.1525	18.97	450042	1.6931	19.89	450110		19.58	450177	1.1285	14.92
440039	1.3440	19.94	440114	1.0932	14.50	440189	1.5018		450044	1.4961	24.80	450111	1.2670	19.64	450178	0.9711	17.85
440040	1.0510	16.37	440115	1.0340	17.45	440192	1.0453	19.08	450046	1.5067	18.65	450112	1.2198	16.04	450181	1.0173	15.56
440041	1.0031	14.66	440120	1.6720	17.24	440193	1.2636	19.08	450047	1.1154	13.45	450113	1.3525	20.98	450184	1.4239	21.13
440046	1.1769	18.17	440125	1.5428	15.66	440194	1.3420	19.87	450050	0.9168	14.77	450118		17.91	450185	0.9984	14.07
440047	0.9208	16.66	440130	1.1552	17.82	440197	1.2815	21.96	450051	1.6149	21.02	450119	1.2890	20.28	450187	1.2340	16.69
440048	1.8119	19.45	440131	1.1310	15.50	440200	1.1776	17.96	450052	1.0272	13.89	450121	1.4614	20.46	450188	0.9606	14.39
440049	1.6763	17.93	440132	1.1086	16.66	440203	0.9624	18.34	450053	1.0522	17.05	450123	1.1672	15.76	450191	1.0735	20.12
440050	1.2312	19.13	440133	1.5576	21.53	440206		16.44	450054	1.6197	22.90	450124	1.7302	22.75	450192	1.1837	20.38
440051	0.9193	13.19	440135	1.1865	19.20	440210	1.0245	11.02	450055	1.1121	15.04	450126	1.3316	21.72	450193	1.9904	23.20
440052	0.9791	16.65	440137	1.1342	14.56	440211		14.90	450056	1.6239	21.84	450128	1.2125	18.22	450194	1.3376	20.52
440053	1.3264	18.55	440141	0.9927	13.53	440212		17.07	450058	1.6127	18.10	450130	1.3541	20.42	450196	1.4145	17.19
440054	1.2247	13.87	440142	1.0095	15.73	440213		19.58	450059	1.2342	15.22	450131	1.2707	19.26	450200	1.4511	18.74
440056	1.0523	15.98	440143	1.0189	17.78	440214	1.6187		450063	0.8753	14.38	450132	1.5776	18.17	450201	1.0867	16.99
440057	1.0725	12.79	440144	1.2827	17.64	440217	1.2442		450064	1.4407	17.41	450133	1.5532	23.64	450203	1.0979	20.67
440058	1.1468	18.81	440145	0.9764	17.06	450002	1.4964	21.37	450065	0.9949	21.49	450135	1.6714	21.03	450209	1.7113	19.08
440059	1.4739	18.54	440147	1.7064	21.43	450004	1.0878	16.67	450068	1.8951	22.90	450137	1.5658	22.46	450210	1.0423	13.98
440060	1.1254	18.06	440148	1.0650	19.24	450005	1.1999	18.36	450072	1.2200	19.01	450140	0.9325	20.23	450211	1.3949	17.99
440061	1.1140	14.97	440149	1.0299	16.69	450007	1.2312	16.97	450073	1.1328	17.10	450143	1.0367	14.53	450213	1.7786	17.76
440063	1.6376	19.32	440150	1.3182	20.14	450008	1.2218	17.08	450076	1.7674		450144	1.0746	18.11	450214	1.3116	19.05
440064	1.1054	17.76	440151	1.1397	17.42	450010	1.4699	16.50	450078	0.9224	11.73	450145	0.8608	15.61	450217	0.9365	12.85
440065	1.3167	18.58	440152	2.0761	21.03	450011	1.5042	17.19	450079	1.4679	21.05	450146	0.8943	17.86	450219	0.9728	15.40
440067	1.1687	16.28	440153	1.1131	16.78	450014	1.1295	17.95	450080	1.1637	17.46	450147	1.3488	18.94	450221	1.0718	16.37
440068	1.2445	19.47	440156	1.4802	29.56	450015	1.5984	18.99	450081	0.9866	16.34	450148	1.1855	18.67	450222	1.5254	20.31
440070	1.0189	13.70	440157	1.0585	16.93	450016	1.5700	18.45	450082	0.9978	16.16	450149	1.5838	19.75	450224	1.3253	24.90
440071	1.1943	17.02	440159	1.2268	17.72	450018	1.4551	21.48	450083	1.7936	21.59	450150	0.9364	16.37	450229	1.6647	16.45
440072	1.2826	17.60	440161	1.8345	21.80	450020	0.9506	17.84	450085	1.1413	18.36	450151	1.1660	15.29	450231	1.5947	19.16
440073	1.2472	19.17	440162	0.7243	14.76	450021	1.8828	23.08	450087	1.4081	22.03	450152	1.1782	18.01	450234	1.0237	16.19
440078	1.0057	15.08	440166	1.6735	19.67	450023	1.4818	16.08	450090	1.1578	15.09	450153	1.5847	19.44	450235	1.0434	15.23
440081	1.0939	18.36	440168	1.0683	18.65	450024	1.3887	17.35	450092	1.1838	16.83	450154	1.2049	13.87	450236	1.6073	16.67
440082	2.0072	22.28	440173	1.6376	18.64	450025		17.00	450094	1.3042	21.32	450155	1.0660	11.58	450237	1.5897	20.79

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.	CASE MIX INDEX	AVG. HOUR. WAGE	PROV.
450239	1.0093	17.13	450351	1.1982	18.41	450469	1.4654	19.63	450605	1.1715	21.14	450675	1.5244	22.50	450757	0.8813	13.87	450813	0.8813	13.87
450241	1.0067	12.57	450352	1.1558	18.75	450473	1.0004	19.98	450609	0.8760	15.98	450677	1.3370	22.68	450758	1.5789	21.87	450814	1.5789	21.87
450243	0.9967	11.91	450353	1.1247	17.75	450475	1.1266	16.34	450610	1.5025	18.99	450678	1.4676	23.26	450760	1.1219	17.49	450815	1.1219	17.49
450246	1.1557	16.55	450355	0.9621	11.95	450484	1.5182	16.81	450614	0.9407	17.99	450683	1.2556	20.91	450761	0.9087	13.62	450816	0.9087	13.62
450249	1.0096	12.03	450358	2.0636	22.32	450488	1.3168	19.35	450615	1.1099	14.86	450684	1.2346	19.70	450763	0.9077	13.62	450817	0.9077	13.62
450250	0.9090	10.28	450362	1.0670	15.88	450489	0.9233	9.93	450617	1.3682	20.34	450686	1.6703	16.57	450766	2.0488	22.43	450818	2.0488	22.43
450253	1.1334	12.24	450369	1.0434	15.22	450497	1.0756	15.09	450620	1.0723	15.84	450688	1.2896	19.63	450769	0.9131	14.59	450819	0.9131	14.59
450258	0.9566	16.05	450370	1.1661	12.61	450498	0.9646	13.86	450623	1.1407	22.19	450690	1.3023	21.66	450770	1.0388	16.55	450820	1.0388	16.55
450264	0.9279	13.89	450371	1.1437	24.63	450508	1.4174	18.81	450626	1.0306	18.17	450694	1.1863	17.48	450771	1.8344	22.45	450821	1.8344	22.45
450269	1.0241	12.36	450372	1.2145	20.09	450514	1.0529	21.32	450628	0.9750	20.56	450696	1.3829	18.84	450774	1.5215	18.00	450822	1.5215	18.00
450270	1.1022	12.84	450373	1.0167	17.42	450517	0.9600	27.88	450630	1.4779	21.69	450697	1.3829	18.84	450775	1.2816	19.89	450823	1.2816	19.89
450271	1.2784	16.63	450374	0.9229	13.61	450518	1.4298	19.81	450631	1.7092	20.04	450698	0.9230	14.67	450776	0.9631	15.78	450824	0.9631	15.78
450272	1.2602	19.93	450378	1.3771	23.58	450523	1.4387	20.08	450633	0.9805	11.76	450700	0.9559	14.64	450777	0.9170	21.07	450825	0.9170	21.07
450276	1.0243	13.12	450379	1.4171	22.76	450530	1.2465	22.86	450636	1.5937	19.52	450702	1.3930	20.82	450779	1.3164	21.45	450826	1.3164	21.45
450278	0.9120	14.83	450381	0.9911	16.42	450534	0.9191	19.94	450638	1.7055	23.53	450704	1.1137	20.98	450780	1.6389	19.15	450827	1.6389	19.15
450280	1.6036	22.30	450388	1.7801	19.25	450535	1.2963	19.66	450641	1.5446	23.14	450705	0.8976	30.01	450781	0.8976	30.01	450828	0.8976	30.01
450283	1.0644	14.57	450389	1.3002	18.18	450537	1.2819	20.84	450643	1.4546	23.19	450706	1.2011	21.21	450782	1.5908	19.15	450829	1.5908	19.15
450288	1.1091	16.25	450393	1.1967	20.28	450539	1.1845	16.49	450644	0.9824	16.51	450709	1.2377	20.89	450784	1.8222	18.22	450830	1.8222	18.22
450289	1.4195	20.31	450395	0.9810	18.38	450544	1.0994	23.93	450645	1.2487	18.71	450711	1.6707	19.81	450785	0.9453	16.55	450831	0.9453	16.55
450292	1.2167	16.97	450399	0.8667	15.78	450545	1.1753	19.56	450646	1.5281	19.83	450712	0.9334	13.62	450786	1.654	16.54	450832	1.654	16.54
450293	0.9098	16.01	450400	1.3200	19.54	450547	1.0055	14.82	450648	1.4060	19.83	450713	1.4839	20.81	450788	0.9957	15.92	450833	0.9957	15.92
450296	1.1790	21.60	450403	1.2172	20.20	450551	1.0711	16.94	450649	0.9511	16.45	450715	1.3785	22.04	450789	1.4415	17.57	450834	1.4415	17.57
450299	1.4776	21.57	450411	0.9201	14.48	450558	1.8452	22.26	450651	1.6805	16.85	450716	1.2400	20.55	450801	1.4005	19.92	450835	1.4005	19.92
450303	0.8524	12.46	450417	0.9596	13.50	450563	1.2798	19.92	450652	1.0511	16.45	450717	1.2506	20.72	450802	1.1873	18.38	450836	1.1873	18.38
450306	1.0552	13.82	450418	1.4637	21.92	450565	1.2365	16.26	450653	1.0511	16.45	450718	1.1925	19.69	450803	1.1873	18.38	450837	1.1873	18.38
450307	0.8915	16.46	450419	1.1974	20.63	450570	1.0860	18.95	450654	1.0511	16.45	450723	1.3948	19.76	450804	1.6169	19.48	450838	1.6169	19.48
450309	1.0330	13.15	450422	1.0383	26.48	450571	1.5421	17.56	450655	1.1009	18.18	450724	1.2374	20.32	450806	1.0904	11.32	450839	1.0904	11.32
450315	0.9189	22.81	450423	1.2348	18.97	450573	1.0077	12.25	450656	0.9539	14.53	450727	1.0614	13.55	450807	0.7878	11.32	450840	0.7878	11.32
450320	1.2144	20.09	450424	1.0777	13.87	450574	0.9175	14.60	450658	1.3430	17.67	450728	0.9811	17.53	450808	1.9776	16.99	450841	1.9776	16.99
450321	0.8878	13.18	450429	1.0777	13.87	450575	1.0415	19.39	450659	1.0274	16.26	450730	1.2146	22.08	450809	1.5552	20.02	450842	1.5552	20.02
450322	0.6218	22.77	450431	1.5198	19.63	450578	0.9355	15.48	450661	1.5200	22.26	450733	1.4104	20.77	450810	0.8196	19.10	450843	0.8196	19.10
450324	1.4633	17.79	450438	1.1740	19.50	450580	1.1966	15.83	450662	1.1560	19.72	450735	1.2948	13.88	450811	2.3384	15.92	450844	2.3384	15.92
450327	0.9713	11.75	450446	0.7066	13.10	450583	1.0269	15.66	450663	1.4612	18.23	450742	1.2948	22.76	450812	0.9751	15.92	450845	0.9751	15.92
450330	1.1594	18.94	450447	1.3503	18.04	450584	1.0583	14.23	450665	0.8554	15.20	450743	1.5068	18.89	450813	0.7497	11.32	450846	0.7497	11.32
450334	0.9096	12.81	450451	1.1706	18.89	450586	1.0112	14.38	450666	1.2980	20.32	450746	0.9213	12.79	450814	1.1935	11.32	450847	1.1935	11.32
450337	1.0009	17.11	450457	1.8445	24.79	450587	1.1747	17.02	450668	1.6420	20.70	450747	1.2546	19.26	450815	1.5223	11.32	450848	1.5223	11.32
450340	1.3999	17.69	450460	1.0043	15.18	450591	1.1238	17.90	450669	1.2887	21.76	450749	0.9333	16.21	450816	1.0157	11.32	450849	1.0157	11.32
450341	1.0090	18.94	450462	1.7613	22.62	450596	1.2387	22.54	450670	1.3668	16.89	450750	1.0004	14.69	450822	1.3260	11.32	450850	1.3260	11.32
450346	1.3176	17.54	450464	0.8963	13.29	450597	0.9205	17.08	450672	1.6518	21.85	450751	1.2125	21.22	450823	0.8952	11.32	450851	0.8952	11.32
450347	1.2264	17.11	450465	1.2023	15.57	450603	0.6767	11.64	450673	0.9904	13.96	450754	0.9948	16.09	450824	2.1437	11.32	450852	2.1437	11.32
450348	1.0839	13.95	450467	1.0072	10.62	450604	1.3055	16.45	450674	1.0414	22.28	450755	1.0462	17.99	450825	1.7453	11.32	450853	1.7453	11.32

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 3C: HOSPITAL CASE MIX INDEXES FOR DISCHARGES OCCURRING IN FEDERAL FISCAL YEAR 1999
HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEAR 2001 WAGE INDEX

PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE		PROV.	CASE MIX INDEX	CASE AVG. HOUR. WAGE	
		MIX	WAGE			MIX	WAGE			MIX	WAGE			MIX	WAGE			MIX	WAGE			MIX	WAGE
510013	1.0607	17.85	1.2868	510085	1.4700	20.66	1.0398	520048	1.4700	20.66	1.0398	520109	1.0398	19.13	1.1319	520173	1.1319	21.30	1.1319	21.30	520173	1.1319	21.30
510015	0.9345	14.90	1.0521	510086	2.1090	20.35	1.2264	520049	2.1090	20.35	1.2264	520110	1.2264	20.45	1.6413	520177	1.6413	22.72	1.6413	22.72	520177	1.6413	22.72
510018	1.0915	18.53	1.0379	510088	1.7870	21.85	0.9801	520051	1.7870	21.85	0.9801	520111	0.9801	17.78	1.0542	520178	1.0542	18.69	1.0542	18.69	520178	1.0542	18.69
510020	1.0381	13.18	1.2428	520002	1.1608	17.39	1.1339	520053	1.1608	17.39	1.1339	520112	1.1339	19.18	2.3936	520188	2.3936	13.91	2.3936	13.91	520188	2.3936	13.91
510022	1.3947	20.18	1.1499	520003	1.1289	19.09	1.3075	520054	1.1289	19.09	1.3075	520113	1.3075	21.15	1.0938	520189	1.0938				520189	1.0938	
510023	1.2009	16.01	1.2152	520004	1.1253	19.73	1.2016	520057	1.1253	19.73	1.2016	520114	1.2016	16.66	1.2809	520190	1.2809				520190	1.2809	
510024	1.5615	19.09	1.0018	520005	1.3209	20.99	1.2129	520058	1.3209	20.99	1.2129	520115	1.2129	18.30	1.1396	530002	1.1396	19.33	1.1396	19.33	530002	1.1396	19.33
510026	1.0622	13.69	1.0591	520007	1.4332	17.92	1.0163	520059	1.4332	17.92	1.0163	520116	1.0163	19.85	0.8619	530003	0.8619	16.21	0.8619	16.21	530003	0.8619	16.21
510027	0.9786	17.29	1.6082	520008	1.2308	19.15	0.8954	520060	1.2308	19.15	0.8954	520117	0.8954	18.54	0.9954	530004	0.9954	15.05	0.9954	15.05	530004	0.9954	15.05
510028	1.0350	20.06	1.6644	520009	1.1826	19.61		520062	1.1826	19.61		520118	0.8954	14.23	1.1870	530005	1.1870	13.35	1.1870	13.35	530005	1.1870	13.35
510029	1.2672	17.71	1.1000	520010	1.1826	19.61		520063	1.1826	19.61		520120		18.74	1.1200	530006	1.1200	18.59	1.1200	18.59	530006	1.1200	18.59
510030	1.0300	17.42	1.1658	520011	1.5634	22.74	0.9766	520064	1.5634	22.74	0.9766	520121	0.9766	19.73	0.9956	530007	0.9956	18.52	0.9956	18.52	530007	0.9956	18.52
510031	1.4190	28.67	1.3414	520013	1.4380	22.88	0.9672	520066	1.4380	22.88	0.9672	520122	0.9672	16.24	1.1835	530008	1.1835	18.83	1.1835	18.83	530008	1.1835	18.83
510033	1.2900	18.41	1.1236	520014	1.1236	17.16	1.0247	520068	1.1236	17.16	1.0247	520123	1.0247	17.40	0.9536	530009	0.9536	22.50	0.9536	22.50	530009	0.9536	22.50
510035	1.1863	16.50	1.1640	520015	1.1932	20.29	1.0367	520069	1.1932	20.29	1.0367	520124	1.0367	17.26	1.2254	530010	1.2254	21.61	1.2254	21.61	530010	1.2254	21.61
510036	0.9419	13.46	1.1835	520016	1.3201	18.59	1.0819	520070	1.3201	18.59	1.0819	520130	1.0819	15.68	1.1587	530011	1.1587	18.74	1.1587	18.74	530011	1.1587	18.74
510038	1.0707	15.81	1.1203	520017	1.2017	18.73	0.9922	520071	1.2017	18.73	0.9922	520131	0.9922	18.73	1.6508	530012	1.6508	18.99	1.6508	18.99	530012	1.6508	18.99
510039	1.4141	16.94	1.0717	520018	1.0139	20.46	1.1767	520074	1.0139	20.46	1.1767	520132	1.1767	15.64	1.4471	530014	1.4471	18.09	1.4471	18.09	530014	1.4471	18.09
510043	0.8997	14.07	1.1934	520019	1.4673	19.85	1.1351	520075	1.4673	19.85	1.1351	520134	1.1351	18.10	1.2324	530015	1.2324	22.46	1.2324	22.46	530015	1.2324	22.46
510046	1.2018	17.38	1.4879	520021	1.4879	21.35	1.4611	520076	1.4879	21.35	1.4611	520135	1.4611	15.82	1.2625	530016	1.2625	18.16	1.2625	18.16	530016	1.2625	18.16
510047	1.1611	19.90	1.0039	520024	1.0039	14.02	1.4919	520077	1.0039	14.02	1.4919	520136	1.4919	19.83*	0.9021	530017	0.9021	16.35	0.9021	16.35	530017	0.9021	16.35
510048	1.1368	21.04	1.0617	520025	1.0617	18.24	1.0378	520078	1.0617	18.24	1.0378	520138	1.0378	21.23	1.2119	530018	1.2119	18.38	1.2119	18.38	530018	1.2119	18.38
510050	1.7223	16.91	1.1098	520026	1.1098	21.55	1.2575	520082	1.1098	21.55	1.2575	520139	1.2575	21.00	0.9196	530019	0.9196	18.54	0.9196	18.54	530019	0.9196	18.54
510053	1.0161	16.10	1.2697	520027	1.2697	19.93	1.6487	520083	1.2697	19.93	1.6487	520140	1.6487	21.52	1.1466	530022	1.1466	18.50	1.1466	18.50	530022	1.1466	18.50
510055	1.2896	23.72	1.2932	520028	1.2932	21.28	1.0971	520084	1.2932	21.28	1.0971	520142	1.0971	20.58	1.4896	530025	1.4896	21.26	1.4896	21.26	530025	1.4896	21.26
510058	1.2914	18.42	0.9183	520029	0.9183	19.58	1.6926	520087	0.9183	19.58	1.6926	520144	1.6926	18.57	0.8873	530027	0.8873	17.01	0.8873	17.01	530027	0.8873	17.01
510059	2.2171	16.58	1.6824	520030	1.6824	20.50	1.2849	520088	1.6824	20.50	1.2849	520145	1.2849	18.26	0.9932	530026	0.9932	17.01	0.9932	17.01	530026	0.9932	17.01
510060		17.56	1.0527	520031	1.0527	20.48	1.4630	520089	1.0527	20.48	1.4630	520146	1.4630	17.96	0.8873	530027	0.8873	18.17	0.8873	18.17	530027	0.8873	18.17
510061	1.0308	13.82	1.2210	520032	1.2210	19.57	1.3799	520090	1.2210	19.57	1.3799	520148	1.3799	17.24	0.9181	530029	0.9181	16.51	0.9181	16.51	530029	0.9181	16.51
510062	1.1709	19.39	1.1933	520033	1.1933	19.30	1.3147	520091	1.1933	19.30	1.3147	520149	1.3147	14.19	0.7881	530031	0.7881	18.33	0.7881	18.33	530031	0.7881	18.33
510066		12.29	1.1886	520034	1.1886	17.13	1.1112	520092	1.1886	17.13	1.1112	520151	1.1112	17.33	1.0391	530032	1.0391	21.04	1.0391	21.04	530032	1.0391	21.04
510067	1.1077	16.72	1.2906	520035	1.2906	18.94	0.7710	520094	1.2906	18.94	0.7710	520152	0.7710	19.58									
510068	1.2062	18.79	1.6611	520037	1.6611	20.67	1.2738	520095	1.6611	20.67	1.2738	520153	1.2738	15.98									
510070	1.3015	18.51	1.2795	520038	1.2795	19.63	1.4176	520096	1.2795	19.63	1.4176	520154	1.4176	18.54									
510071	1.3221	17.21	0.9857	520039	0.9857	20.76	1.2967	520097	0.9857	20.76	1.2967	520156	1.2967	17.20									
510072	1.0308	15.63	1.5732	520040	1.5732	20.47	1.8155	520098	1.5732	20.47	1.8155	520157	1.8155	17.20									
510077	1.1060	18.07	1.1839	520041	1.1839	17.19	1.2287	520099	1.1839	17.19	1.2287	520159	1.2287	18.68									
510080	1.0889	17.45	1.0920	520042	1.0920	18.58	1.1341	520101	1.0920	18.58	1.1341	520160	1.1341	19.42									
510081	1.1326	13.64	1.4397	520044	1.4397	18.40	1.1669	520102	1.4397	18.40	1.1669	520161	1.1669	19.49									
510082	1.1535	17.45	1.6806	520045	1.6806	20.59	1.3020	520103	1.6806	20.59	1.3020	520170	1.3020	17.46									
510084	0.9774	17.24	0.9645	520047	0.9645	18.30	1.2263	520107	0.9645	18.30	1.2263	520171	1.2263	17.46									

ASTERISK DENOTES TEACHING PHYSICIAN COSTS REMOVED BASED ON COSTS REPORTED ON WORKSHEET A, COL. 1, LINE 23 OF FY 1997 COST REPORT.

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS

Urban area (constituent counties)	Wage index	GAF
0040 Abilene, TX	0.8240	0.8758
Taylor, TX		
0060 Aguadilla, PR	0.4391	0.5692
Aguada, PR		
Aguadilla, PR		
Moca, PR		
0080 Akron, OH	0.9736	0.9818
Portage, OH		
Summit, OH		
0120 Albany, GA	0.9933	0.9954
Dougherty, GA		
Lee, GA		
0160 Albany-Schenec-		
tady-Troy, NY	0.8549	0.8982
Albany, NY		
Montgomery, NY		
Rensselaer, NY		
Saratoga, NY		
Schenectady, NY		
Schoharie, NY		
0200 Albuquerque,		
NM	0.9136	0.9400
Bernalillo, NM		
Sandoval, NM		
Valencia, NM		
0220 Alexandria, LA ...	0.8170	0.8707
Rapides, LA		
0240 Allentown-Beth-		
lehem-Easton, PA	1.0040	1.0027
Carbon, PA		
Lehigh, PA		
Northampton, PA		
0280 Altoona, PA	0.9346	0.9547
Blair, PA		
0320 Amarillo, TX	0.8715	0.9101
Potter, TX		
Randall, TX		
0380 Anchorage, AK ..	1.2865	1.1883
Anchorage, AK		
0440 Ann Arbor, MI	1.1254	1.0843
Lenawee, MI		
Livingston, MI		
Washtenaw, MI		
0450 Anniston, AL	0.8284	0.8790
Calhoun, AL		
0460 Appleton-Osh-		
kosh-Neenah, WI	0.9052	0.9341
Calumet, WI		
Outagamie, WI		
Winnebago, WI		
0470 Arecibo, PR	0.4525	0.5810
Arecibo, PR		
Camuy, PR		
Hatillo, PR		
0480 Asheville, NC	0.9516	0.9666
Buncombe, NC		
Madison, NC		
0500 Athens, GA	0.9739	0.9821
Clarke, GA		
Madison, GA		
Oconee, GA		
0520 ¹ Atlanta, GA	1.0096	1.0066
Barrow, GA		
Bartow, GA		
Carroll, GA		
Cherokee, GA		
Clayton, GA		
Cobb, GA		
Coweta, GA		

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
DeKalb, GA		
Douglas, GA		
Fayette, GA		
Forsyth, GA		
Fulton, GA		
Gwinnett, GA		
Henry, GA		
Newton, GA		
Paulding, GA		
Pickens, GA		
Rockdale, GA		
Spalding, GA		
Walton, GA		
0560 Atlantic-Cape		
May, NJ	1.1182	1.0795
Atlantic, NJ		
Cape May, NJ		
0580 Auburn-Opelika,		
AL	0.8106	0.8661
Lee, AL		
0600 Augusta-Aiken,		
GA—SC	0.9160	0.9417
Columbia, GA		
McDuffie, GA		
Richmond, GA		
Aiken, SC Edgefield,		
SC		
0640 ¹ Austin-San		
Marcos, TX	0.9577	0.9708
Bastrop, TX		
Caldwell, TX		
Hays, TX		
Travis, TX		
Williamson, TX		
0680 ² Bakersfield, CA		
Kern, CA	0.9861	0.9905
0720 ¹ Baltimore, MD		
Anne Arundel, MD	0.9365	0.9561
Baltimore, MD		
Baltimore City, MD		
Carroll, MD		
Harford, MD		
Howard, MD		
Queen Anne's, MD		
0733 Bangor, ME	0.9561	0.9697
Penobscot, ME		
0743 Barnstable-		
Yarmouth, MA	1.3839	1.2492
Barnstable, MA		
0760 Baton Rouge, LA		
Ascension, LA	0.8842	0.9192
East Baton Rouge,		
LA		
Livingston, LA		
West Baton Rouge,		
LA		
0840 Beaumont-Port		
Arthur, TX	0.8744	0.9122
Hardin, TX		
Jefferson, TX		
Orange, TX		
0860 Bellingham, WA		
Whatcom, WA	1.1439	1.0964
0870 ² Benton Harbor,		
MI	0.9021	0.9319
Berrien, MI		
0875 ¹ Bergen-Pas-		
saic, NJ	1.1605	1.1073

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
Bergen, NJ		
Passaic, NJ		
0880 Billings, MT	0.9591	0.9718
Yellowstone, MT		
0920 Biloxi-Gulfport-		
Pascagoula, MS	0.8236	0.8756
Hancock, MS		
Harrison, MS		
Jackson, MS		
0960 Binghamton, NY		
Broome, NY	0.8690	0.9083
Tioga, NY		
1000 Birmingham, AL		
Blount, AL	0.8477	0.8930
Jefferson, AL		
St. Clair, AL		
Shelby, AL		
1010 Bismarck, ND	0.7897	0.8507
Burleigh, ND		
Morton, ND		
1020 Bloomington, IN		
Monroe, IN	0.8733	0.9114
1040 Bloomington-		
Normal, IL	0.9156	0.9414
McLean, IL		
1080 Boise City, ID	0.9042	0.9334
Ada, ID		
Canyon, ID		
1123 ¹² Boston-		
Worcester-Lawrence-		
Lowell-Brockton, MA—		
NH (MA Hospitals)	1.1204	1.0810
Bristol, MA		
Essex, MA		
Middlesex, MA		
Norfolk, MA		
Plymouth, MA		
Suffolk, MA		
Worcester, MA		
Hillsborough, NH		
Merrimack, NH		
Rockingham, NH		
Strafford, NH		
1123 ¹ Boston-		
Worcester-Lawrence-		
Lowell-Brockton, MA—		
NH (NH Hospitals)	1.1160	1.0781
Bristol, MA		
Essex, MA		
Middlesex, MA		
Norfolk, MA		
Plymouth, MA		
Suffolk, MA		
Worcester, MA		
Hillsborough, NH		
Merrimack, NH		
Rockingham, NH		
Strafford, NH		
1125 Boulder-		
Longmont, CO	0.9731	0.9815
Boulder, CO		
1145 Brazoria, TX	0.8658	0.9060
Brazoria, TX		
1150 Bremerton, WA		
Kitsap, WA	1.0975	1.0658
1240 Brownsville-Har-		
lingen-San Benito, TX	0.8722	0.9106

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
Cameron, TX		
1260 Bryan-College Station, TX	0.8237	0.8756
Brazos, TX		
1280 ¹ Buffalo-Niagara Falls, NY	0.9580	0.9710
Erie, NY		
Niagara, NY		
1303 Burlington, VT ...	1.0735	1.0498
Chittenden, VT		
Franklin, VT		
Grand Isle, VT		
1310 Caguas, PR	0.4562	0.5842
Caguas, PR		
Cayey, PR		
Cidra, PR		
Gurabo, PR		
San Lorenzo, PR		
1320 ² Canton- Massillon, OH	0.8670	0.9069
Carroll, OH		
Stark, OH		
1350 ² Casper, WY	0.8817	0.9174
Natrona, WY		
1360 Cedar Rapids, IA	0.8736	0.9116
Linn, IA		
1400 Champaign-Ur- bana, IL	0.9198	0.9444
Champaign, IL		
1440 Charleston-North Charleston, SC	0.9067	0.9351
Berkeley, SC		
Charleston, SC		
Dorchester, SC		
1480 Charleston, WV	0.9240	0.9473
Kanawha, WV		
Putnam, WV		
1520 ¹ Charlotte-Gas- tonia-Rock Hill, NC— SC	0.9391	0.9579
Cabarrus, NC		
Gaston, NC		
Lincoln, NC		
Mecklenburg, NC		
Rowan, NC		
Stanly, NC		
Union, NC		
York, SC		
1540 Charlottesville, VA	1.0789	1.0534
Albemarle, VA		
Charlottesville City, VA		
Fluvanna, VA		
Greene, VA		
1560 Chattanooga, TN—GA	0.9833	0.9885
Catoosa, GA		
Dade, GA		
Walker, GA		
Hamilton, TN		
Marion, TN		
1580 ² Cheyenne, WY	0.8817	0.9174
Laramie, WY		
1600 ¹ Chicago, IL	1.1146	1.0771
Cook, IL		
DeKalb, IL		

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
DuPage, IL		
Grundy, IL		
Kane, IL		
Kendall, IL		
Lake, IL		
McHenry, IL		
Will, IL		
1620 Chico-Paradise, CA	0.9918	0.9944
Butte, CA		
1640 ¹ Cincinnati, OH—KY—IN	0.9415	0.9596
Dearborn, IN		
Ohio, IN		
Boone, KY		
Campbell, KY		
Gallatin, KY		
Grant, KY		
Kenton, KY		
Pendleton, KY		
Brown, OH		
Clermont, OH		
Hamilton, OH		
Warren, OH		
1660 Clarksville-Hop- kinsville, TN—KY	0.8277	0.8785
Christian, KY		
Montgomery, TN		
1680 ¹ Cleveland-Lo- rain-Elyria, OH	0.9593	0.9719
Ashtabula, OH		
Cuyahoga, OH		
Geauga, OH		
Lake, OH		
Lorain, OH		
Medina, OH		
1720 Colorado Springs, CO	0.9697	0.9792
El Paso, CO		
1740 Columbia, MO ...	0.8961	0.9276
Boone, MO		
1760 Columbia, SC	0.9554	0.9692
Lexington, SC		
Richland, SC		
1800 Columbus, GA— AL	0.8568	0.8996
Russell, AL		
Chattahoochee, GA		
Harris, GA		
Muscogee, GA		
1840 ¹ Columbus, OH	0.9619	0.9737
Delaware, OH		
Fairfield, OH		
Franklin, OH		
Licking, OH		
Madison, OH		
Pickaway, OH		
1880 Corpus Christi, TX	0.8726	0.9109
Nueces, TX		
San Patricio, TX		
1890 Corvallis, OR	1.1326	1.0890
Benton, OR		
1900 ² Cumberland, MD—WV (MD Hos- pitals)	0.8651	0.9055
Allegany, MD		

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
Mineral, WV		
1900 Cumberland, MD—WV (WV Hos- pital)	0.8369	0.8852
Allegany, MD		
Mineral, WV		
1920 ¹ Dallas, TX	0.9913	0.9940
Collin, TX		
Dallas, TX		
Denton, TX		
Ellis, TX		
Henderson, TX		
Hunt, TX		
Kaufman, TX		
Rockwall, TX		
1950 Danville, VA	0.8589	0.9011
Danville City, VA		
Pittsylvania, VA		
1960 Davenport-Mo- line-Rock Island, IA— IL	0.8898	0.9232
Scott, IA		
Henry, IL		
Rock Island, IL		
2000 Dayton-Spring- field, OH	0.9442	0.9614
Clark, OH		
Greene, OH		
Miami, OH		
Montgomery, OH		
2020 Daytona Beach, FL	0.9147	0.9408
Flagler, FL		
Volusia, FL		
2030 Decatur, AL	0.8534	0.8971
Lawrence, AL		
Morgan, AL		
2040 ² Decatur, IL	0.8160	0.8700
Macon, IL		
2080 ¹ Denver, CO	1.0181	1.0124
Adams, CO		
Arapahoe, CO		
Denver, CO		
Douglas, CO		
Jefferson, CO		
2120 Des Moines, IA	0.9118	0.9387
Dallas, IA		
Polk, IA		
Warren, IA		
2160 ¹ Detroit, MI	1.0510	1.0347
Lapeer, MI		
Macomb, MI		
Monroe, MI		
Oakland, MI		
St. Clair, MI		
Wayne, MI		
2180 Dothan, AL	0.8013	0.8592
Dale, AL		
Houston, AL		
2190 Dover, DE	1.0078	1.0053
Kent, DE		
2200 Dubuque, IA	0.8746	0.9123
Dubuque, IA		
2240 Duluth-Superior, MN—WI	1.0043	1.0029

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
St. Louis, MN		
Douglas, WI		
2281 Dutchess County, NY	0.9491	0.9649
Dutchess, NY		
2290 ² Eau Claire, WI	0.8880	0.9219
Chippewa, WI		
Eau Claire, WI		
2320 El Paso, TX	0.9346	0.9547
El Paso, TX		
2330 Elkhart-Goshen, IN	0.9145	0.9406
Elkhart, IN		
2335 Elmira, NY	0.8546	0.8980
Chemung, NY		
2340 Enid, OK	0.8610	0.9026
Garfield, OK		
2360 Erie, PA	0.8985	0.9293
Erie, PA		
2400 Eugene-Springfield, OR	1.0965	1.0651
Lane, OR		
2440 ² Evansville-Henderson, IN-KY (IN Hospitals)	0.8602	0.9020
Posey, IN		
Vanderburgh, IN		
Warrick, IN		
Henderson, KY		
2440 Evansville-Henderson, IN-KY (KY Hospitals)	0.8173	0.8710
Posey, IN		
Vanderburgh, IN		
Warrick, IN		
Henderson, KY		
2520 Fargo-Moorhead, ND-MN	0.8749	0.9125
Clay, MN		
Cass, ND		
2560 Fayetteville, NC	0.8655	0.9058
Cumberland, NC		
2580 Fayetteville-Springdale-Rogers, AR	0.7910	0.8517
Benton, AR		
Washington, AR		
2620 Flagstaff, AZ-UT	1.0686	1.0465
Coconino, AZ		
Kane, UT		
2640 Flint, MI	1.1205	1.0810
Genesee, MI		
2650 Florence, AL	0.7652	0.8325
Colbert, AL		
Lauderdale, AL		
2655 Florence, SC	0.8777	0.9145
Florence, SC		
2670 Fort Collins-Loveland, CO	1.0647	1.0439
Larimer, CO		
2680 ¹ Ft. Lauderdale, FL	1.0152	1.0104
Broward, FL		
2700 Fort Myers-Cape Coral, FL	0.9247	0.9478
Lee, FL		
2710 Fort Pierce-Port St. Lucie, FL	0.9622	0.9740

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
Martin, FL		
St. Lucie, FL		
2720 Fort Smith, AR-OK	0.8052	0.8621
Crawford, AR		
Sebastian, AR		
Sequoyah, OK		
2750 Fort Walton Beach, FL	0.9607	0.9729
Okaloosa, FL		
2760 Fort Wayne, IN ..	0.8665	0.9065
Adams, IN		
Allen, IN		
De Kalb, IN		
Huntington, IN		
Wells, IN		
Whitley, IN		
2800 ¹ Forth Worth-Arlington, TX	0.9527	0.9674
Hood, TX		
Johnson, TX		
Parker, TX		
Tarrant, TX		
2840 Fresno, CA	1.0104	1.0071
Fresno, CA		
Madera, CA		
2880 Gadsden, AL	0.8423	0.8891
Etowah, AL		
2900 Gainesville, FL ..	1.0074	1.0051
Alachua, FL		
2920 Galveston-Texas City, TX	0.9918	0.9944
Galveston, TX		
2960 Gary, IN	0.9454	0.9623
Lake, IN		
Porter, IN		
2975 ² Glens Falls, NY	0.8499	0.8946
Warren, NY		
Washington, NY		
2980 ² Goldboro, NC	0.8441	0.8904
Wayne, NC		
2985 Grand Forks, ND-MN	0.8954	0.9271
Polk, MN		
Grand Forks, ND		
2995 Grand Junction, CO	0.9471	0.9635
Mesa, CO		
3000 ¹ Grand Rapids-Muskegon-Holland, MI	1.0248	1.0169
Allegan, MI		
Kent, MI		
Muskegon, MI		
Ottawa, MI		
3040 Great Falls, MT	0.9331	0.9537
Cascade, MT		
3060 Greeley, CO	0.9814	0.9872
Weld, CO		
3080 Green Bay, WI ..	0.9308	0.9521
Brown, WI		
3120 ¹ Greensboro-Winston-Salem-High Point, NC	0.9124	0.9391
Alamance, NC		
Davidson, NC		
Davie, NC		

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
Forsyth, NC		
Guilford, NC		
Randolph, NC		
Stokes, NC		
Yadkin, NC		
3150 Greenville, NC ...	0.9384	0.9574
Pitt, NC		
3160 Greenville-Spartanburg-Anderson, SC	0.9003	0.9306
Anderson, SC		
Cherokee, SC		
Greenville, SC		
Pickens, SC		
Spartanburg, SC		
3180 Hagerstown, MD	0.9409	0.9591
Washington, MD		
3200 Hamilton-Middletown, OH	0.9061	0.9347
Butler, OH		
3240 Harrisburg-Lebanon-Carlisle, PA	0.9386	0.9575
Cumberland, PA		
Dauphin, PA		
Lebanon, PA		
Perry, PA		
3283 ¹² Hartford, CT ..	1.1715	1.1145
Hartford, CT		
Litchfield, CT		
Middlesex, CT		
Tolland, CT		
3285 ² Hattiesburg, MS	0.7491	0.8205
Forrest, MS		
Lamar, MS		
3290 Hickory-Morganton-Lenoir, NC	0.8755	0.9130
Alexander, NC		
Burke, NC		
Caldwell, NC		
Catawba, NC		
3320 Honolulu, HI	1.1866	1.1243
Honolulu, HI		
3350 Houma, LA	0.8086	0.8646
Lafourche, LA		
Terrebonne, LA		
3360 ¹ Houston, TX	0.9732	0.9816
Chambers, TX		
Fort Bend, TX		
Harris, TX		
Liberty, TX		
Montgomery, TX		
Waller, TX		
3400 Huntington-Ashland, WV-KY-OH	0.9876	0.9915
Boyd, KY		
Carter, KY		
Greenup, KY		
Lawrence, OH		
Cabell, WV		
Wayne, WV		
3440 Huntsville, AL	0.8932	0.9256
Limestone, AL		
Madison, AL		
3480 ¹ Indianapolis, IN	0.9787	0.9854
Boone, IN		
Hamilton, IN		

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
Hancock, IN		
Hendricks, IN		
Johnson, IN		
Madison, IN		
Marion, IN		
Morgan, IN		
Shelby, IN		
3500 Iowa City, IA	0.9657	0.9764
Johnson, IA		
3520 Jackson, MI	0.9134	0.9399
Jackson, MI		
3560 Jackson, MS	0.8812	0.9170
Hinds, MS		
Madison, MS		
Rankin, MS		
3580 Jackson, TN	0.8796	0.9159
Madison, TN		
Chester, TN		
3600 ¹ Jacksonville, FL	0.9208	0.9451
Clay, FL		
Duval, FL		
Nassau, FL		
St. Johns, FL		
3605 ² Jacksonville, NC	0.8441	0.8904
Onslow, NC		
3610 ² Jamestown, NY	0.8499	0.8946
Chautauqua, NY		
3620 Janesville-Beloit, WI	0.9585	0.9714
Rock, WI		
3640 Jersey City, NJ ..	1.1573	1.1052
Hudson, NJ		
3660 Johnson City-Kingsport-Bristol, TN-VA	0.8328	0.8822
Carter, TN		
Hawkins, TN		
Sullivan, TN		
Unicoi, TN		
Washington, TN		
Bristol City, VA		
Scott, VA		
Washington, VA		
3680 Johnstown, PA ..	0.8578	0.9003
Cambria, PA		
Somerset, PA		
3700 Jonesboro, AR ..	0.7832	0.8459
Craighead, AR		
3710 Joplin, MO	0.8148	0.8691
Jasper, MO		
Newton, MO		
3720 Kalamazoo-Battlecreek, MI	1.0453	1.0308
Calhoun, MI		
Kalamazoo, MI		
Van Buren, MI		
3740 Kankakee, IL	0.9902	0.9933
Kankakee, IL		
3760 ¹ Kansas City, KS-MO	0.9498	0.9653
Johnson, KS		
Leavenworth, KS		
Miami, KS		
Wyandotte, KS		
Cass, MO		

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
Clay, MO		
Clinton, MO		
Jackson, MO		
Lafayette, MO		
Platte, MO		
Ray, MO		
3800 Kenosha, WI	0.9611	0.9732
Kenosha, WI		
3810 Killeen-Temple, TX	1.0119	1.0081
Bell, TX		
Coryell, TX		
3840 Knoxville, TN	0.8340	0.8831
Knoxville, TN		
Anderson, TN		
Blount, TN		
Knox, TN		
Loudon, TN		
Sevier, TN		
Union, TN		
3850 Kokomo, IN	0.9525	0.9672
Howard, IN		
Tipton, IN		
3870 La Crosse, WI-MN	0.9211	0.9453
Houston, MN		
La Crosse, WI		
3880 Lafayette, LA	0.8490	0.8940
Acadia, LA		
Lafayette, LA		
St. Landry, LA		
St. Martin, LA		
3920 Lafayette, IN	0.8834	0.9186
Clinton, IN		
Tippecanoe, IN		
3960 ² Lake Charles, LA	0.7713	0.8371
Calcasieu, LA		
3980 Lakeland-Winter Haven, FL	0.8928	0.9253
Polk, FL		
4000 Lancaster, PA ...	0.9259	0.9486
Lancaster, PA		
4040 Lansing-East Lansing, MI	0.9934	0.9955
Clinton, MI		
Eaton, MI		
Ingham, MI		
4080 Laredo, TX	0.8168	0.8706
Webb, TX		
4100 Las Cruces, NM	0.8658	0.9060
Dona Ana, NM		
4120 ¹ Las Vegas, NV-AZ	1.0796	1.0538
Mohave, AZ		
Clark, NV		
Nye, NV		
4150 Lawrence, KS	0.8190	0.8722
Douglas, KS		
4200 Lawton, OK	0.8996	0.9301
Comanche, OK		
4243 Lewiston-Auburn, ME	0.9036	0.9329
Androscoggin, ME		
4280 Lexington, KY	0.8866	0.9209
Bourbon, KY		
Clark, KY		
Fayette, KY		

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
Jessamine, KY		
Madison, KY		
Scott, KY		
Woodford, KY		
4320 Lima, OH	0.9320	0.9529
Allen, OH		
Auglaize, OH		
4360 Lincoln, NE	0.9666	0.9770
Lancaster, NE		
4400 Little Rock-North Little Rock, AR	0.8906	0.9237
Faulkner, AR		
Lonoke, AR		
Pulaski, AR		
Saline, AR		
4420 Longview-Marshall, TX	0.8922	0.9249
Gregg, TX		
Harrison, TX		
Upshur, TX		
4480 ¹ Los Angeles-Long Beach, CA	1.2033	1.1351
Los Angeles, CA		
4520 Louisville, KY-IN	0.9350	0.9550
Clark, IN		
Floyd, IN		
Harrison, IN		
Scott, IN		
Bullitt, KY		
Jefferson, KY		
Oldham, KY		
4600 Lubbock, TX	0.8838	0.9189
Lubbock, TX		
4640 Lynchburg, VA ..	0.8867	0.9210
Amherst, VA		
Bedford, VA		
Bedford City, VA		
Campbell, VA		
Lynchburg City, VA		
4680 Macon, GA	0.8974	0.9285
Bibb, GA		
Houston, GA		
Jones, GA		
Peach, GA		
Twiggs, GA		
4720 Madison, WI	1.0271	1.0185
Dane, WI		
4800 Mansfield, OH ...	0.8690	0.9083
Crawford, OH		
Richland, OH		
4840 Mayaguez, PR ..	0.4589	0.5866
Anasco, PR		
Cabo Rojo, PR		
Hormigueros, PR		
Mayaguez, PR		
Sabana Grande, PR		
San German, PR		
4880 McAllen-Edinburg-Mission, TX	0.8566	0.8994
Hidalgo, TX		
4890 Medford-Ashland, OR	1.0344	1.0234
Jackson, OR		
4900 Melbourne-Titusville-Palm Bay, FL	0.9688	0.9785
Brevard, FL		

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
4920 ¹ Memphis, TN— AR—MS	0.8723	0.9107
Crittenden, AR		
DeSoto, MS		
Fayette, TN		
Shelby, TN		
Tipton, TN		
4940 ² Merced, CA	0.9861	0.9905
Merced, CA		
5000 ¹ Miami, FL	1.0059	1.0040
Dade, FL		
5015 ¹ Middlesex- Somerset-Hunterdon, NJ	1.0333	1.0227
Hunterdon, NJ		
Middlesex, NJ		
Somerset, NJ		
5080 ¹ Milwaukee- Waukesha, WI	0.9767	0.9840
Milwaukee, WI		
Ozaukee, WI		
Washington, WI		
Waukesha, WI		
5120 ¹ Minneapolis-St. Paul, MN—WI	1.1017	1.0686
Anoka, MN		
Carver, MN		
Chisago, MN		
Dakota, MN		
Hennepin, MN		
Isanti, MN		
Ramsey, MN		
Scott, MN		
Sherburne, MN		
Washington, MN		
Wright, MN		
Pierce, WI		
St. Croix, WI		
5140 Missoula, MT	0.9332	0.9538
Missoula, MT		
5160 Mobile, AL	0.8163	0.8702
Baldwin, AL		
Mobile, AL		
5170 Modesto, CA	1.0396	1.0270
Stanislaus, CA		
5190 ¹ Monmouth- Ocean, NJ	1.1283	1.0862
Monmouth, NJ		
Ocean, NJ		
5200 Monroe, LA	0.8396	0.8872
Ouachita, LA		
5240 Montgomery, AL	0.7653	0.8326
Autauga, AL		
Elmore, AL		
Montgomery, AL		
5280 Muncie, IN	1.0969	1.0654
Delaware, IN		
5330 Myrtle Beach, SC	0.8440	0.8903
Horry, SC		
5345 Naples, FL	0.9661	0.9767
Collier, FL		
5360 ¹ Nashville, TN ..	0.9490	0.9648
Cheatham, TN		
Davidson, TN		
Dickson, TN		
Robertson, TN		

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
Rutherford, TN		
Sumner, TN		
Williamson, TN		
Wilson, TN		
5380 ¹ Nassau-Suffolk, NY	1.3932	1.2549
Nassau, NY		
Suffolk, NY		
5483 ¹ New Haven- Bridgeport-Stamford- Waterbury-Danbury, CT	1.2034	1.1352
Fairfield, CT		
New Haven, CT		
5523 New London- Norwich, CT	1.2063	1.1371
New London, CT		
5560 ¹ New Orleans, LA	0.9295	0.9512
Jefferson, LA		
Orleans, LA		
Plaquemines, LA		
St. Bernard, LA		
St. Charles, LA		
St. James, LA		
St. John The Baptist, LA		
St. Tammany, LA		
5600 ¹ New York, NY	1.4651	1.2989
Bronx, NY		
Kings, NY		
New York, NY		
Putnam, NY		
Queens, NY		
Richmond, NY		
Rockland, NY		
Westchester, NY		
5640 ¹ Newark, NJ	1.0757	1.0512
Essex, NJ		
Morris, NJ		
Sussex, NJ		
Union, NJ		
Warren, NJ		
5660 Newburgh, NY— PA	1.0847	1.0573
Orange, NY		
Pike, PA		
5720 ¹ Norfolk-Virginia Beach-Newport News, VA—NC	0.8422	0.8890
Currituck, NC		
Chesapeake City, VA		
Gloucester, VA		
Hampton City, VA		
Isle of Wight, VA		
James City, VA		
Mathews, VA		
Newport News City, VA		
Norfolk City, VA		
Poquoson City, VA		
Portsmouth City, VA		
Suffolk City, VA		
Virginia Beach City, VA		
Williamsburg City, VA		

TABLE 4A.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties)	Wage index	GAF
York, VA		
5775 ¹ Oakland, CA ...	1.4983	1.3190
Alameda, CA		
Contra Costa, CA		
5790 Ocala, FL.		
Marion, FL	0.9243	0.9475
5800 Odessa-Midland, TX	0.9205	0.9449
Ector, TX		
Midland, TX		
5880 ¹ Oklahoma City, OK	0.8822	0.9177
Canadian, OK		
Cleveland, OK		
Logan, OK		
McClain, OK		
Oklahoma, OK		
Pottawatomie, OK		
5910 Olympia, WA	1.0677	1.0459
Thurston, WA		
5920 Omaha, NE—IA ..	0.9572	0.9705
Pottawattamie, IA		
Cass, NE		
Douglas, NE		
Sarpy, NE		
Washington, NE		
5945 ¹ Orange County, CA	1.1411	1.0946
Orange, CA		
5960 ¹ Orlando, FL	0.9610	0.9731
Lake, FL		
Orange, FL		
Osceola, FL		
Seminole, FL		
5990 Owensboro, KY	0.8159	0.8699
Daviess, KY		
6015 Panama City, FL	0.9010	0.9311
Bay, FL		
6020 Parkersburg- Marietta, WV—OH (WV Hospitals)	0.8274	0.8783
Washington, OH		
Wood, WV		
6020 ² Parkersburg- Marietta, WV—OH (OH Hospitals)	0.8670	0.9069
Washington, OH		
Wood, WV		
6080 ² Pensacola, FL	0.8928	0.9253
Escambia, FL		
Santa Rosa, FL		
6120 Peoria-Pekin, IL	0.8646	0.9052
Peoria, IL		
Tazewell, IL		
Woodford, IL		
6160 ¹ Philadelphia, PA—NJ	1.0937	1.0633
Burlington, NJ		
Camden, NJ		
Gloucester, NJ		
Salem, NJ		
Bucks, PA		
Chester, PA		
Delaware, PA		
Montgomery, PA		
Philadelphia, PA		
6200 ¹ Phoenix-Mesa, AZ	0.9669	0.9772